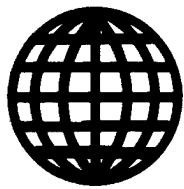
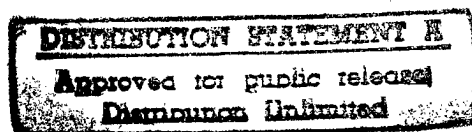


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Hungarian Cultural Foundation in Ukraine

92CH0677B Budapest NEPSZABADSAG in Hungarian
26 May 92 p 15

[Interview with Sandor Horvath, Sub-Carpathia Foundation executive director, by Elemer Koszeghy; place and date not given: "Foundation in Sub-Carpathia; The Objective Is To Support Hungarian Culture; A Memorial Park for the Victims of the Gulag"]

[Text] *The Sub-Carpathia Foundation, Sub-Carpathia's first foundation for serving Magyar culture, was registered the other day.*

[Koszeghy] What necessitated the establishment of this foundation?

[Horvath] First of all, it was the situation that has developed in Sub-Carpathia, replied Executive Director Sandor Horvath. It became clear during the past few months that the Sub-Carpathian Hungarian Cultural Association [KMKSZ], which rallied the best local forces, somehow tended to ignore culture. It simply did not have the energy to pay enough attention to, and to support according to need, the education of Hungarians. This fact resulted in the idea that a nonpolitical organization would be needed for taking up this cause.

[Koszeghy] There were some rumors that the foundation intends to operate in opposition to the KMKSZ.

[Horvath] We do not want to conduct anti-KMKSZ activities at all. Indeed, even during our short life, we have supported every KMKSZ movement and event to the utmost. A good example of this was the reciting competition at Visk, one of the KMKSZ's best initiatives, in which the participants were Hungarian children living scattered in the former Soviet republic. When we learned about the KMKSZ's initiative, we gave our financial and moral support. We spent 5,000 rubles primarily for Kazakh children's travel expenses to come here and for suitable gifts for the competitors.

I continue to think that cooperation is vital, and that the success of one of our major undertakings is extremely important, namely, the October 1992 dedication of the memorial park that is being built in the memory of tens of thousands of Hungarians who were taken away to Stalinist camps in 1944. According to the preliminary budget, it will cost more than 1,200,000 rubles, but neither the KMKSZ nor the foundation has this kind of money. Thus, we must combine our efforts to explore every possible source.

[Koszeghy] Are there any local companies or organizations in the midst of the present economic crisis that would still be able and willing to support the foundation?

[Horvath] Not counting the small amount contributed by the founders, the foundation began with earlier revenues coming from the publication of the biweekly SUB-CARPATIA. This capital amounted to 23,000 to 25,000 rubles. It is clear that this is not a large sum in the

present inflationary times. We had no choice but to look for possibilities of increasing our capital. Let me tell you, not in the order of importance, what we have been able to achieve to date in Sub-Carpathia. Numerous private citizens contributed to the increase of the foundation's capital. In addition, Ungvar's city council, an industrial enterprise, and a small cooperative provided support in the amounts of 5,000 to 15,000 rubles. We have also received assistance from Hungary. A Miskolc company transported a water pump to Ungvar, the estimated value of which was 11,000 Deutsche marks. Since the city of Ungvar is unable to pay such a large sum, the Miskolc company allowed the Ungvar water works to pay as much in rubles as it can—into the Sub-Carpathia Foundation's account. We received enormous assistance from the similarly named Sub-Carpathia Foundation, registered in Miskolc, and from the Gyula Illyes Foundation of Budapest. Through them, we received from Hungaroton 1.5 million forints' worth of [LP] records. Part of these we sell at discount prices through retailers, offering the records with literary subjects or foreign language instruction to Hungarian schools at even lower discount prices. We forward the records of fairy tale collections to Hungarian kindergartens.

Returning to the local contributors, several major agricultural enterprises indicated their willingness to provide significant assistance. I can safely say that none of the enterprises and organizations we visited refused assistance.

[Koszeghy] In addition to supporting the establishment of the memorial park, what other pet plans does the foundation have?

[Horvath] We have many plans and, hopefully, we will also have the money with which to carry them out. For instance, we would like to host four Hungarian theater companies in May and June. We will support a community college to be established in Beregszasz as well as the poetry festival in Batyu. The Board of Directors will decide at its May meeting on additional assistance.

Macedonian Perspective on Relations With Albania

92BA1061A Skopje NOVA MAKEDONIJA
in Macedonian 5 Jun 92 p 2

[Article by T. Mircevski: "A Time for Dialogue"]

[Text] *Readiness has been expressed at the highest levels to resolve problems without strings and with open discussions. Unlike President Berisha, Prime Minister Meksi pointed out that the recognition of Macedonia depends on satisfying the demands of the Albanian ethnic minority in the Republic of Macedonia.*

In the past, Macedonian-Albanian relations have been hot and cold. The cold period lasted for quite some time, mainly because of the familiar stubborn and intransigent views of the present authorities in Tirana. Bearing in mind the major changes that have taken place in

Albania, particularly following the triumphant victory of the Democratic Party at the last elections, conditions have appeared for an entirely different development of neighborly relations. This was especially confirmed during the first official visit President Kiro Gligorov paid to Albania and during the meetings and discussions he had with President Sali Berisha. In addition to the usual official statements and the smiles for the television cameras and numerous photographers, one could easily feel in the course of the one-day visit that this time the dialogue was developing entirely differently and, above all, in a friendly atmosphere.

From the very start, efforts to this effect were made by host Berisha, whom it was believed that, because of his leg accident, would be unable to travel personally to the Rinas airport, 20 kilometers outside Tirana, to welcome President Gligorov. However, he not only made the trip and did not have his car driven to the landing strip but slowly walked from the airport building to the place where the red carpet had been laid, awaiting the airplane from Skopje. At the airport, Berisha made clear the atmosphere in which the discussions were to take place, welcoming Gligorov with the following words: "This is a very important step in terms of relations between our two countries and our good-neighborliness and the peoples of the two countries," to which the president of the Republic of Macedonia answered immediately that he was in full agreement.

Although the Albanian president was unable to accompany President Gligorov in reviewing the Albanian Army honor guard not only at the presidential palace but also at the Palace of Brigades, in the course of luncheon, for quite some time, he "stood up" and answered the numerous questions of newsmen. The most significant aspect of that meeting, however, was not only that it was exceptionally fruitful but also that the two leaders, whose standards are both European and democratic, will be able to resolve all of the issues dividing the two countries.

The same kind of atmosphere prevailed in the meeting with Aleksander Meksi, the prime minister, and in the discussions between Denko Maleski and Alfred Serechi, the heads of the diplomatic services. They openly discussed all problems related to the crisis in the former Yugoslavia, conditions in the Balkans, and economic cooperation and, naturally, the most important aspects of relations between the two countries. This time the discussions concerning the "sensitive" question of the rights of Albanians in Macedonia and of Macedonians in Albania were different. Thus, President Berisha avoided mentioning, at least publicly, the familiar conditions according to which the development of relations between the two countries largely depends on the rights that will be granted to the Albanian minority in Macedonia. Instead, he stressed that both countries expressed the great desire for and a belief in respecting the sovereignty of borders, and, as for minority rights, they should be based on the Helsinki Declaration, the Paris Charter, and the CSCE [Conference on Security and Cooperation

in Europe] documents, which are the standards used by Macedonia and on which it will always be firmly based. As to economic cooperation, there are no problems in the sense that it must be rapidly and steadily expanded. New roads and railroad tracks must be laid, the Port of Durres must be enlarged, and the gas main that is being laid from Macedonia to Albania must be extended. More border-crossing posts must be opened, greater communications among people must be made possible, and so forth. As Berisha said, "This brings us closer to the day when Albania will also officially recognize Macedonia." Because this is the Albanian position, it is positively strange that Prime Minister Meksi said almost immediately following Berisha's statement in his meeting with Gligorov the exact opposite, that the recognition of Macedonia will depend on meeting the demands of the Albanian ethnic minority in Macedonia. Obviously, something has not been agreed upon between the president and the prime minister.

Whatever the case, such misunderstandings must be resolved by these two, and, as to relations with Macedonia, the need and the readiness to resolve all problems strictly through open dialogue is a good thing. Actually, diplomatic relations are opportunities for making friends and not enemies. However, what is being said and agreed upon must be implemented because, otherwise, all of this becomes entirely meaningless and would be even less in the interests of both countries.

Bulgarian President, Czar Simeon on Macedonia

92BA1059A Skopje NOVA MAKEDONIJA
in Macedonian 5 Jun 92 p 2

[Article by Vladimir Tulevski, NOVA MAKEDONIJA permanent correspondent: "What To Do With Macedonia?! Madrid Discussions Between Zhelev and Simeon II, Successor to the Bulgarian Throne"]

[Text] *Zhelev is bothered by the fact that the Government of the Republic of Macedonia considers the population of Pirin Macedonia Macedonian. The Macedonians are irritated by our position, Zhelev told Simeon II, the pretender to the throne.*

As a result of strong pressure and manipulations of public opinion, today the full record of the discussions held recently in Madrid between Zhelyu Zhelev, the president of the Republic, and Simeon II, the Bulgarian pretender to the throne, was made public. The 66-minute-long discussion, held in private, was recorded on several cassettes, as a result of which the content of the discussion was extensively reported on the radio and in the press.

The meeting, about which a very brief report stated that it was held in a pleasant and friendly atmosphere, with a photo opportunity, was confirmed as being such an opportunity, although the conversation was extensive, covering numerous topical issues of Bulgarian domestic and foreign political life. The conclusion is that a great deal of it dealt with the situation in the Balkans and, as

part of it, the situation of Macedonia, its present status, and the position held by Bulgaria toward the other Balkan countries.

Czar Simeon II informed Zhelev that the leadership of the so-called Macedonian Patriotic Organization (MPO) in the United States had recently sent him a letter, asking him to think about what to do with Macedonia and how to do it! Simeon II answered that he had recommended to them that they follow in the footsteps of the European Community and take their ideas into consideration. Apparently, the MPO was dissatisfied with that answer, and Simeon no longer knew what to do and asked Zhelev to clarify the latest Bulgarian position.

It is further reported that President Zhelev stressed the following: "Something that is truly strange is currently happening in the relations between the three states that border Macedonia and that country. We recognize the statehood of Macedonia and its state sovereignty. We do not recognize the Macedonian nation or, to say the least, we do not involve ourselves in that problem...." This is a somewhat softer attitude compared to that of Greece, which recognizes neither the Macedonian nation nor the Macedonian State, whereas Serbia recognizes the Macedonian nation but does not recognize a separate Macedonian state. The cacophony in this area is total. However, I believe that, all in all, our position, except for some minor errors, is the best and the most realistic one because one cannot suppress a nation when it wants to have independent status.

Elaborating on this issue of Macedonia, Zhelev explained to Simeon II the following: "The Macedonians were irritated by our position of not recognizing the nation. We told them the following: Look, this is not a topical issue. In the final account, you may feel as you wish. If you want to be Macedonian, be Macedonian. We will never impose on a neighboring land and population a way of self-determination. Historically, and from the cultural-historical point of view, we do not commit ourselves to the recognition of such a nation!!!"

However, Simeon II, the successor to the throne, repeatedly answered Zhelev with "very well, quite correct," and the Bulgarian president concluded the discussion on the topic of Macedonia by adding something else—that is, Zhelev stressed that Bulgaria does not wish for the Government of the Republic of Macedonia to consider the population in Pirin Macedonia as being Macedonian and not Bulgarian, and "to interfere in some areas, as the communists previously did, with force, torture, jail, or concentration camps." At the end, according to the cassette records, the interlocutors agreed unanimously that Bulgaria has enough problems as it is.

The interest shown by Simeon II, the successor to the throne, in Macedonia and his insistence on being given firsthand specific answers to Bulgaria's current position are no accident. Simeon II is the son of Czar Boris, about whom it is unnecessary to explain what he did to take over Macedonia territorially and spiritually, and to change the Macedonian people with words and whips, as he worked for the same cause of Bulgarization by beheading the greatest revolutionaries and fighters for a free and independent Macedonia.

Constitutional Views of Major Parties Summarized

92CH0632B Prague MLADA FRONTA DNES in Czech
21 May 92 p 7

[Report by Ivana Vajnerova: "What Will Czechoslovakia Be Like After the Elections? The Problem of the Constitutional State in the Programs of Some Political Parties"]

[Text] In contrast to past elections, this time the voters will participate in the decision on the form, possibly the further survival or division, of a common state. While the problem of the constitutional state was still a part of the "social subconscious" two years ago, during the electoral period it has become a problem that could endanger economic transformation, the development of a common state, and its international importance.

The need for a change in the previous form of the federation came from Slovak politicians, and it took the Czech representatives too long to make the transition from smiling magnanimity to the realization that it was a real problem. Before this realization was reached, we experienced a series of talks on the constitutional state, which evaded the rules of parliamentary democracy and responsibility, the citizens were given sensational information in the press, and the governments started to work on "catastrophic scenarios."

The special features of the constitutional state problem are based on the fact that it is difficult to find a guaranteed optimal solution in the present world and in past history. Different ideas are successfully being implemented in various countries. This success is not dependent on a general principle but on its detailed elaboration, not on its formal acceptance but on the willingness of the participating parties to recognize and to perfect it. It is this attitude that has been lacking in our country so far, and a glance at the election programs in this context does not look promising either.

There is a passage in every political party program dedicated to the constitutional state problem. But each one deals with it extremely superficially. Each of them lacks an objective judgement about the realizability of the suggested procedure, potential consequences, and alternatives, including a response to steps that may be taken by the opposing party. This fact can be explained by the still-extant emotionalism in regard to nationally targeted Slovak parties, which do not concern themselves too much with rational justifications or, in particular, the consequences of Slovak independence. And, within the framework of Czech politics, it is demonstrated by the continuing dilemma whether to implement a clearly rational process (though harsher in relation to Slovak trends), or to continue to demonstrate an understanding attitude (it was the combination of these principles up until now that has brought the talks about the constitutional state to such an impasse). A third attitude is represented by Slovak parties, which, admittedly, share the desire for a clearer "identity" for the

Slovak nation to a greater or lesser degree, but in dire situations do not conceal their apprehensions about extremely nationalistic proposals.

The procedure suggested by the HZDS [Movement for a Democratic Slovakia] is well-known: the declaration of the sovereignty of Slovakia as an entity subject to international law, the acceptance of the Slovak constitution, and, after that, a referendum on possible coexistence with the Czech republic. The SNS [Slovak National Party], in the spirit of its former policies, even based its election program on the concepts of patriotism, national solidarity, even national economy. The program states, "Only a sovereign and independent state can give its people the opportunity to fully develop its identity"; it also describes the present form of federation as "a semicolonial state of dependence." In connection with thoughts on what such a state would possibly look like in the SNS's eyes, it is worth mentioning the exceptional emphasis given to the issues of strengthening the army, the police force, etc.

It is this sentence that symbolizes the course of a series of talks on the constitutional state and their consequences ad infinitum. The separation of the national wing of the KDH [Christian Democratic Movement] (and its transformation into the SKDH [Slovak Christian Democratic Movement] which, together with the HZDS and SNS became the primary initiators of the proposal for the declaration of Slovak sovereignty in the SNR [Slovak National Council]), enabled a slightly more conciliatory approach in the original KDH toward a common state, at least in connection with the attempt to separate Slovakia instantly. "The KDH will continue its systematic work to make the SR [Slovak Republic] and the CR [Czech Republic] equal, we will continue to assert the principle of agreement as the basis of the future state. It is necessary to cleanse the national emancipation program of demagoguery and populism."

The upper limit of a profederal position in Slovakia is represented by the attitude of the ODU [Civic Democratic Movement]. In precise terms: "Our aim is to increase Slovakia's participation in the common state. From the very beginning we have been pushing through such changes in the constitutional organization as will guarantee equality in the status of the SR and the CR." The ODU considers that an agreement between the republics should form the foundation of the newly drawn up common state.

During the most recent talks on the constitutional state, the SDL [Party of Democratic Left] became the balance needle in the Slovak parliament. It is also prudently avoiding extremes in its election program. "Only a state organization with sovereignty will ensure free decision-making about the form of its existence as a nation and state.... The culmination of Slovak statehood depends on the acceptance of its own constitution.... We are striving for the completion of the SR's international status.... An agreement between the SR and CR could constitute the expression of the nation's desire to live in a common

state." Regardless of the emphasis laid on the necessity to maintain a constitutional framework in the SDL program, the specifically proposed procedure is not very different from that of the HZDS. The SDL proposes that a constitutional law on the drafting of an SR constitution and the settlement of relations with the CR should be adopted. The sovereignty of Slovakia should simultaneously be declared in this constitutional law. After this, the Slovak constitution should be adopted, an agreement between the two republics should be drawn up, and these two documents should be used as the basis for the constitution of the common state.

The need for a new conception of a common state was submitted by Slovak politicians. During the last two years, the Czech representatives did not succeed in coming up with a single joint, clear answer. It should be pointed out that it is a fact (and not merely an excuse) that none of the Czech political parties was authorized by its voters to work out a process leading to the separation of the states (and a response to the real policies of the Slovak partners could be considered as such). Now the trends in Slovak politics are relatively clear, as are the measures that will obviously be implemented in Slovakia. Therefore it is surprising that no Czech party has submitted a definitive proposal to resolve the situation, which cannot be ignored considering the development in Slovakia.

Essentially, all Czech parties are leaning toward the principle of a federal state. Overall, they prefer not to talk about the acceptability of such an alternative to Slovak politicians. Within the framework of the CR, no one is eliminating a territorial system (generally as an interim measure toward a federal system). But in this context, one must remember that the assertion of territorial autonomy in the Czech parliament failed due to inadequately elaborated specific proposals. And no better proposals have appeared in the election programs than those rejected by the CNR [Czech National Council]. Therefore—if we only go by the election programs—we cannot eliminate equally useless squabbles about this problem.

The ODS [Civic Democratic Party], potentially the strongest Czech political party, admits in its election program that a two-member federation with the right of veto has the potential danger of creating constitutional crises for both republics. It deals with the threat of a breakup of the state with the statement that it will come to terms with it should it occur. In contrast to all Slovak parties, it rejects the "creation of a common state from below," but demands that the federal agencies must have primary authority. However, it is well-known that it hardly stands a chance with the Slovak partners on this issue. The term "common state from below," which is not explained in more detail, also appears in the programs of the KSCM [Communist Party of Bohemia and Moravia] and LSU [Liberal Social Union]. Not even the radical position taken by the ODA [Civic Democratic Alliance], which came up during the course of talks with the SNR, was included in its program in any detail.

The differences in the understanding of this issue by other parties are essentially only a matter of phraseology. A functional federation, made up of federal countries is not a goal that is easily attained—as the past talks on the constitutional state demonstrated. In the CSSD [Czechoslovak Social Democratic Party] program, for instance, this obstacle is dealt with by using the words "after agreement with our Slovak partner."

An overview of the political parties' programs shows that the only principle, which all of them are willing to recognize as a prerequisite for any further steps, is a referendum. However, everything depends on whether they will truly meet this obligation and whether they agree on the formulation of the relevant question. So far, however, not one of these conditions has been fulfilled. And judging by the election programs, no Czech and simultaneously Slovak political party is working toward a compatible goal for a constitutional state and the process to attain it.

Czech-Slovak Split Perceived as Final

92CH0688A Prague LIDOVE NOVINY in Czech
17 Jun 92 p 3

[Commentary by Petr Janyska: "A Definitive End"]

[Text] After Monday evening, there can no longer be the slightest doubt: The winner in the Slovak elections has notified the president of the federation that he desires an independent state. In the words of the chairman of the HZDS [Movement for a Democratic Slovakia]: In place of the CSFR, he wants two states as "two entities under international law," in other words, a Slovakia which is perceived by foreigners as an exclusive whole with its own independent foreign policy, etc. Taken logically, this is something quite different from a common state which the leaders of the HZDS have hitherto always attempted to describe by some method or other. And President Havel also spoke of the concept put forward by V. Meciar in a serious tone, which indicated an awareness that this was a sad historical moment.

Clear words bring relief to tight nerves, no matter what the words are. Let us rejoice over the fact that there will no longer be any argument as to what it is the HZDS intends. Except that Mr. Meciar expressed himself in such a manner that his words cannot be interpreted in any way other than being unambiguous; however, he never pronounced a clear word. He only emphasized that there is no need for a coalition agreement because he is strong enough himself.

In one breath, he spoke of "international legal subjectivity" as well as of "a confederative arrangement." He alleged that he would agree to a common defense, currency, and economic policy. While between two states there can exist customs, currency, and other union-type relationships, they are nevertheless not two independent states. Why does V. Meciar constantly obfuscate matters in his expressions (but not with respect to their content)? Why does he not say straight out:

Slovakia is an independent state and period? He is either deep in his soul afraid of 100-percent independence when politicians of the new unit would bear all responsibility in the eyes of their citizenry and constantly wishes to leave the back door open for economic and defense support by the western twin. Or, he is not completely certain that he would prevail with his unambiguously expressed independence with more than 50 percent of the majority of the citizens of the Slovak Republic and is deceiving it. However, it cannot be expected that the Czech side would consent to such a hybrid unit, which is unprecedented in the world, to that type of independence with Czech insurance.

The meeting with V. Meciar went so far that, according to V. Havel, they "already spoke of the technology of the transition from a federal state to an arrangement based on the existence of two states." This sounds very sad, such words have thus far not been uttered; but, today, they mean nothing other than a small step closer to the truth.

How does V. Havel visualize such a transition? He justifiably sees a referendum, which is best conducted in both republics at the same time, to be the only constitutional method so that the federation could be dissolved as a result of the common will of both units. The reason is obvious: A divorce by agreement is customarily the only method by which civilized relationships can be maintained between the partners, even after a court hearing. According to the law on referenda, the CSFR would cease to exist if more than a 50-percent majority of the voters of at least one of the republics favored seceding from the federation.

V. Meciar also speaks of a referendum. But first he wants to prepare the citizenry by proclaiming sovereignty and by adopting a Slovak constitution (most likely with the president being the head of this state). And only then, according to his own words, would he let these steps be "ratified" by the referendum. V. Havel was only able to sadly draw his attention to the fact that "it would not be good if the Slovak side were to use any kind of unilateral constitutional steps to preempt the results of the referendum."

In one breath, the chairman of the HZDS claims that he wants to "facilitate the functioning of the Federal Assembly, the Federal Government, and the president." He alleges that they have an understanding with the ODS [Civic Democratic Party] regarding matters of putting together organs of the Federal Assembly as well as the federal government; the president should allegedly be from Bohemia, the chairman of the parliament should be from Slovakia, etc.

After Monday, it is clear that this will be the last government, parliament, and president of Czechoslovakia, as well as its successor state Czecho-Slovakia. These will be organs entrusted with the liquidation of the

federation. This is a finding which is at once sad and comforting. The sooner we begin preparing to live in a new apartment, the better.

Main Features of Independent Czech Policy

92CH0608A Prague SVOBODNE SLOVO in Czech
14 May 92 pp 1, 4

[Interview with Deputy Chairman Ladislav Dvorak, Liberal Social Union, by Jaroslav Bocek; place and date not given: "Above Czech Politics"]

[Text] [Bocek] Recently I read an article by one of our monarchists who is advocating the revival of the Czech kingdom. Naturally that is a daydream. But he did express an interesting idea. He stated that there is no such thing as Czech politics, since they became diffused in Czechoslovak politics and thus lost their shape and form.

[Dvorak] I agree with that. Czech politics have not existed for the last 40 years and they still do not exist. There is no concept for them. I believe this is one of the primary tasks of politics. That is why we have concentrated on a concept for Czech politics and have elaborated one. Czech politics must be based on historical experiences. They must bear in mind that we are located in the center of Europe and that we have powerful neighbors to the west and to the east. Their primary task is to preserve the identity of the Czech nation, both economically and culturally.

[Bocek] The concept for Czech politics is a matter for the Czech government. Do you believe that Pithart's government neglected to fulfill this fundamental task?

[Dvorak] It did. In fact, I believe it did not even set itself this task. Since it did not have a concept, its approach was very vague on all basic issues. It was unable to submit realistic proposals for the Czech-Slovak issue, and it did not take a position on the Czechoslovak-German agreement. It did not even succeed in dealing with the historical position of Moravia and Silesia within the framework of the Czech Republic, which it promised and then did not do. This is an obligation that will have to be fulfilled by the new Czech government.

[Bocek] On what foundations are Czech politics based now, and on which ones should they be based in the future?

[Dvorak] First of all, Czech politics should be pro-Slovak. That has always been advantageous for both nations. The idea of a common state was born of the need to defend the Czech and Slovak nations against being subjugated and assimilated. As a result, a political, economic, and cultural association was created which, despite numerous problems, demonstrated its viability. I believe that the attempts to divide the state will delay our entry into the developing family of European nations. That is why the LSU [Liberal Social Union] submitted a proposal for a federal organization of the

republic, which we consider to be realistic and viable even for the more distant future. We have based it on civil, national, and historical principles.

[Bocek] But what if the common state cannot be preserved?

[Dvorak] In that case, we must obviously prepare ourselves for the existence of an independent Czech state. We clearly prefer to have a common state, but we are not afraid of independence. We believe that the Czech nation will be able to create the prerequisites for a truly democratic and prosperous way of life in our country.

[Bocek] Masaryk advocated the idea that the Czech issue, if it is to have any significance, must be a world issue.

[Dvorak] Today it means that Czech politics, if they are to be strong, must be based on the prosperity of their own territory. That is why the LSU has concentrated its attention on elaborating an overall concept of economic development that is based on growth. In this way we wish to create realistic prospects for citizens of the Czech nation and also for an increase in its population. Further features of Czech politics must be realism, democracy, and humanism. However, these traditional values must be understood in the context of the new conditions; this is the only way in which national consciousness will grow. This is connected with the establishment of a rule-of-law state and civil society. We want every citizen to feel free, and we want him, as a citizen, to participate in the self-government of the communities, towns, and the events in the entire state. Our goal is to create a strong unit and a self-confident society, which will be comparable to the developed countries of Europe. We would like to participate in the integration of Europe, but as an equal, strong partner, as a political unit that is able to protect its interests. That also means protecting the interests of its citizens.

[Bocek] One of the supporting ideas of Czech politics, not only of the National Revival—as is often erroneously stated—but starting as far back as Premysl Otakar II (see his letter to the Polish princes) and Charles IV, is the consciousness of Slavism and the fact that Slavs belong together. Charles IV brought the Benedictines from Croatia and founded the monastery Na Slovanech, in order to demonstrate the linkage between this kingdom and Slavs. I know that this is a delicate issue after 20 years of Russian occupation, but political concepts are not made for a week or for three years....

[Dvorak] Slavism is a given fact, it simply exists, and we have to respect it and develop links with Slav countries. We are striving for a state that will be strong economically, and this cannot be done without extensive markets. We have already established markets in Slav countries. I am thinking of Poland, Russia, Ukraine, Byelarus. We are their natural partners, we have plenty of experience with them, we know their habits, their business customs. We must cultivate our contacts with them in such a way that we can expand sales possibilities

for our products on the basis of mutually advantageous business. Some developed countries are envious of these ties, and are trying to infiltrate into these countries through us. From the political perspective, good relations with the Slav countries give us a favorable opportunity to enter good, mutually profitable relations with Western states.

[Bocek] Our relations with Poland play a key role in this context....

[Dvorak] Yes. Whenever our two countries had bad relations, one country or the other always paid. The period preceding Munich is a classic example. First Poland opposed us, and then the Poles paid. Therefore we are now encouraging the attempt that we, the Poles, and the Hungarians coordinate our entry into the European community; a common approach is more advantageous than if we undermine one another as we each strive to enter independently.

Czech Political Party Spokesmen Debate Issues

92CH0609A Prague LIDOVE NOVINY in Czech
19 May 92 p 9

["Excerpts" from a discussion by Czech political party spokesmen arranged by LIDOVE NOVINY in Prague on 17 May; edited by Eva Martinkova: "Discussion Club of LIDOVE NOVINY in the Prague Exhibition Center: 14 Against 14"]

[Text] 17 May, 1700—The central hall of the Prague Exhibition Center is almost full. The representatives of 14 political parties, movements, and coalitions, who accepted the LIDOVE NOVINY's invitation to a pre-election debate, are sitting in a semicircle on the podium. The moderators are editors Petr Janyska and Adam Cerny. From time to time dangerous sparks fly between the individuals participating in the debate. Mr. Battek (D 92 [Democrats '92]) and Mr. Ransdorf [Left Bloc], are luckily sitting far enough apart and limit themselves to verbal abuse. Other opponents, surprisingly, reflect each other's thoughts on material issues. Some of the audience responds to the politicians' statements spontaneously and on a nonparty level. However, one can also hear followers who merely came to support their parties—Association for the Republic and KSCM [Communist Party of Bohemia and Moravia]. Criticisms of the moderators come from their ranks. There is even the question as to who is paying them and they are suspected of manipulating the questions. The moderators show great restraint. They keep the two-hour debate between three women and about 40 men under control. It revealed more about the political parties than costly television shots. A brief summary follows.

LIDOVE NOVINY: Which point of your election program do you consider to be the weakest?

LSU [Liberal Social Union]: We do not have any weaknesses.

ODA [Civic Democratic Alliance]: We are unable to convince most of our Slovak colleagues that the most useful form of a state is the preservation of a federation.

OH [Civic Movement]: We are unable to convince the ODA that they have to use different means to convince Slovakia about a federation.

LIDOVE NOVINY: Have you any idea how many policemen we have and what they are paid?

SPR-RSC [Association for the Republic-Republican Party of Czechoslovakia]: There are too few policemen, and the salary of the average foot patrolman is too low.

Left Bloc: Since Deputy Minister Ruml stated that policemen are layabouts, he should try working as a beat cop.

ODA: Policemen are paid enough, the average salary comes to 8,400 Czech korunas (Kcs). However, the problem is that they should serve the citizens and not their superiors.

LIDOVE NOVINY: What do you think about the Rom's share in the crime rate?

KAN [Club of Nonaligned Activists]: It is a fact that a small percentage of gypsies... of the Rom population, commits most of the crimes in this country. But we must treat them the same way as all other criminals; if we do not, we will become a racist state.

LIDOVE NOVINY: Do you believe that more Roms should be active in the police force?

SRNDJ [Republican Party of National Democratic Unity]: In some towns, where they are in the majority, this would probably make sense, because when one gypsy calms down another he does so more brutally than a policeman. On the other hand, I believe that putting a weapon in a Rom's hands would be a tragedy for this nation.

CSSD [Czechoslovak Social Democratic Party]: Social Democracy does not distinguish between people according to their race. The whole problem of crime is one of social groups not one of a single race. Any person who fulfills the necessary professional qualifications can enter the police force.

D 92: The Roms are our fellow citizens and must be given the opportunity to take part in all functions in this country, including the police force.

LIDOVE NOVINY: The number of judges keeps decreasing. What would you do to improve this situation?

KAN: Although the lack of judges in some places borders on being disastrous, there are still a few more who should leave. The Committee for the Protection of Those Who Were Unjustly Treated has prepared a list of them. The

salaries for those judges who have not been compromised should then be raised, and the judges should be elected for life.

HSD-SMS [Movement for Self-Governing Democracy-Association for Moravia and Silesia]: A judge should receive the same salary as a member of parliament. At this time, the judge is the worst paid lawyer in the court room. His starting salary is Kcs6,000, or Kcs18,000 at the supreme court.

OH: The lack of judges is a long-term problem. We should consider introducing juries.

LIDOVE NOVINY: Printed matter is being published in Czechoslovakia which quite openly proclaims racial intolerance. What should be done about it?

CSSD: It is the prosecution's job to deal with this.

SPR-RSC: I believe that PLAYBOY is more detrimental than TY RUDA KRAVO....

KDU-CSL [Christian and Democratic Union-Czechoslovak People's Party]: It depends on the ability of the police, the courts, and the prosecutors to take action to ensure that the laws are obeyed.

Left Bloc: The reason why the printed matter is being published is the miserable state of political culture in this country.

LIDOVE NOVINY: In your opinion, who caused it and who is responsible for it?

Left Bloc: We are all to blame, starting with the parliament, via the government, through to the journalists.

LIDOVE NOVINY: How long has this situation existed in Bohemia-Moravia?

Left Bloc: If we consider the history of Czech political parties in the 19th century, then it has existed for a very long time.

ODA: Political culture is the result of a very long process. The rules of human behavior, which were deformed during the last 40 years, still have an effect, must still have an effect. When Mr. Ransdorf speaks about miserable political culture, he knows what he is talking about. The weakest link in our justice system is the prosecutors.

LIDOVE NOVINY: There is apprehension about foreign capital, especially German capital.

Left Bloc: It is the government's task to balance the influence of capital in our country. At this time artificial barriers, which resemble legislative chaos, have been set up against the entry of foreign capital in this country. Individual offers from abroad must be considered from the aspect of the economic sovereignty of the state and the competitive environment must be monitored. It is not good when the influence of a single company, for instance Mlada Boleslav Automobile Works, becomes predominant.

OH: Apart from the fact that the inflow of capital is slow and there is still too little of it, I hope that the days when capital was divided into good and bad are now gone.

ODA: In a period of developed imperialism, everyone knows that capital is international, so what are you talking about?

SCPZR [Party of Czech Entrepreneurs, Businessmen, and Farmers]: We want foreign capital to enter our market. But there must, of course, be some control. We will support domestic capital by both legislative and economic means.

LIDOVE NOVINY: If you win the elections, would you like to adopt legal measures that would limit the inflow of foreign capital?

Lansky (D 92): The government's task is not to regulate foreign capital, but to ensure its inflow. I understand why Mr. Ransdorf knows nothing about this, since his government did something else for 40 years.

Ransdorf (Left Bloc): I have no intention of considering Mr. Lansky's knowledge to be that of an economist....

LIDOVE NOVINY: Gentlemen, no personal attacks please!

LSU: Capital should enter this country to help development, not to annihilate us.

ODA: We must do as much as we can to increase the inflow of capital into this country. We would remove the barriers and create a positive climate for investment.

KDU-CSL: Where the capital comes from is not important. What is important is that it is registered as an entity that is subject to Czechoslovak law. It will then be a Czechoslovak legal entity and thus will have to act like other investors.

HSD-SMS: We would not like to hand on to our children a country that is owned by others. Primarily foreign capital is registered in the so-called banana republics, too.

LIDOVE NOVINY: What do you think about the possibility for foreign businessmen to buy land?

CSSD: Land resources should remain in the hands of Czechoslovak legal entities, but we do not want to limit the business activities of foreign legal entities. So it is a question of long-term leases.

SRNDJ: We should not sell; we should choose long-term leases.

LIDOVE NOVINY: Do you believe that state-owned apartments should be sold into private ownership?

LSU: They should be sold, yes; but not the way the government proposed, because the apartments have a substantially higher value. The price must also be fair toward the owners of cooperative apartments. At least 10

times the monthly rent... (laughter among the audience)... actually, that would be too little.

HSD-SMS: If the price is too high, the tenants will not buy the apartments. They do not lack anything. The government's proposal of Kcs50,000 per apartment was acceptable.

HDZJ [Pensioners Movement for Security]: It is very difficult for pensioners to buy apartments. Most of us do not have any money any more. The price must be acceptable. Several thousand crowns.

ODA: The apartments must be in line with the prices of houses and the prices of rents, otherwise it will be a joke. The total price of apartments should be comparable to the total price of houses and the total rent for the service life of the apartment should be equal to the price of the apartment. The state should create financial tools such as loans and mortgages.

OH: The idea that the price of real estate should be the same as the total price of apartments is legal purism. The proposition will not work automatically. Decision-making must be in the hands of the municipal authorities because they are familiar with the local conditions.

KDU-CSL: When the state tries to get rid of property with which it does not know what to do, we should not insist on market conditions. During the first round the apartments should be offered to the renters for a regulated price and only later for the market price.

HDZJ: One keeps forgetting that the state apartments were built from the money of taxpayers, i.e., primarily from the money of today's pensioners. Therefore these apartments should be sold to pensioners bearing this fact in mind.

LIDOVE NOVINY: Do you believe that there should be more private schools? How much would you be willing to pay for the education of your children?

CSSD: A standard principle in Central Europe is a state school system. Private schools can exist parallel to the state ones; they are advantageous because they ensure the diversification of the school system, and they introduce new ideas and concepts, which the state school system can ultimately adopt. The school fees should not exceed 20-30 percent of the current income.

D 92: If it meant giving children the best opportunities for life, I would sacrifice as much as three-fourths of my income.

KAN: Before a private school system develops, it would be sufficient to restore the state school system by firing all the Marxist teachers.

OH: There are too few opportunities for a high school education. Private schools broaden this spectrum and put pressure on the quality of teaching. The state should encourage this competition as much as possible.

LIDOVE NOVINY: If you won the elections, would you increase teachers' salaries?

Left Bloc: We would adhere to Havlicek's suggestion, and would add as much to the teachers' salaries as we take away from ministry officials.

KDU: That is a budgetary problem. Teachers should be placed at the top of the priority scale.

LIDOVE NOVINY: What changes would you make in the state school system immediately?

Lansky (D 92): We would rework the curricula, include more natural sciences and mathematics, have fewer social sciences, more of our own history, and less Marxism.

Ransdorf (Left Bloc): I would like to ask Mr. Lansky whether he will allow me to teach at the philosophic faculty starting in the fall?

Battek (D 92): I believe that Mr. Ransdorf should resign voluntarily....

(A voice from the audience) Throw Battek out!

Ransdorf (Left Bloc): We are not like them.

LIDOVE NOVINY: Gentlemen, please stop your invectives instantly. We are here for a debate. We will now turn to the health service. What amount do you believe people should pay for medicines?

HSS: A minimum amount. People pay a lot for them through their taxes.

KDU: I refuse to pay for a substantial number of necessary medicines. We are not in the United States but in Europe where the majority of necessary medicines is paid by the insurance. The privatization of the health service does not mean that the state will stop contributing to the health service. Privatization is the road toward ensuring the higher quality of this service.

CSSD: The state should contribute to the insurance if the latter is unable to deal with everything alone. We live in a civilized country.

LIDOVE NOVINY: How can one help to create private practices?

CSSD: With state guaranteed credit.

OH: Private doctors will be considered to be private businessmen and they will obtain advantageous credit.

SCPZR: If doctors will receive the same "advantages" as we businessmen do, they will go bankrupt very quickly.

Left Bloc: Support for a private health system with above-standard health care through the help of credit. Standard care must be ensured by the state.

LIDOVE NOVINY: Do you believe that we must first earn money before we deal with the environment, or should we start an environmental program immediately?

OH: The key is in linking the economy with the environment. We are using economic tools for the benefit of the environment. We have proposed a number of environmental taxes, but only some of them have been accepted.

KAN: We cannot wait. The money should be acquired, for example, by reducing the size of the army, which fought for the last time at the Battle of the White Mountain.

SCPZR: Environmental measures should be included in new investments. But it simply is not possible to introduce West European standards into our old factories.

LSU: Prague is in a worse state than northern Bohemia, but every politician is afraid of protecting Prague, because he might be accused of Pragocentricism.

LIDOVE NOVINY: Is there a future for nuclear power?

Left Bloc: Those who believe that we must choose the option of small-sized nuclear power plants are wrong. However, safety regulations must be observed. Unless Temelin and Mochovec are started up, it will not be possible to fulfill our obligation to reduce the amount of sulphur dioxide.

LSU: It would be ridiculous to shut down all nuclear power plants immediately. But we oppose the construction of new ones.

OH: We will not construct any new nuclear power plants before the end of the millennium. But we are not opposed to nuclear power stations in principle. There will be a new generation of small nuclear power stations in the world, and we can consider them at that time.

ODA: Construction merely has to be finished on reactors 1-2 in Temelin. But we should certainly not add the third and fourth reactors. We should quickly compile analyses so that we know what power consumption is to be expected in our country at the beginning of the next millennium.

LIDOVE NOVINY: One last point. We would like each party to pose a tricky question to another party.

HDZJ: Why did ODA members vote for discrimination against pensioners?

ODA: Twice we succeeded in preventing the governmental proposal prohibiting the parallel payment of income and pensions from being passed. A compromise was then adopted—temporary 100-percent taxation of pensioners—with which we vehemently disagree; but we had to meet the government halfway if we did not want to upset the state budget.

KAN: Does the Left Bloc believe communism to be bad merely because of Jakes et al., or does it consider the idea

of communism, which is responsible for 70 million deaths since 1917, to be bad?

Left Bloc: We are not concerned with a change of staff but with a systemic surmounting of the past. It was not a matter of individuals, but I believe that the idea is not only not bad but, in fact, has a great future.

SPR-RSC: How will the OH come to terms with the fact that it will be the opposition party after the elections?

OH: Being the opposition party is nothing new to the leaders of the OH, they have had many years of experience.

Immediately following the friendly meeting, most of the participating political parties showed great interest in repeating a similar exchange of opinions. LIDOVE NOVINY will be very happy to take on this task and will notify the readers of the date of the event in due time. The ODS [Civic Democratic Party], which has so far refused any roundtable confrontation, will also receive an invitation.

Czech Intellectuals View Czech-Slovak Split

Writers Express Relief

92CH0687A Prague TELEGRAF in Czech
18 Jun 92 p 3

[Article signed by a group of writers: "Relief as a Result of the Decision"]

[Text] *The following is a position taken by several individuals who, on 9 June, happened to come together in the editorial offices of LITERARNI NOVINY in a discussion like that which is taking place in a number of locations today. These individuals are: Jiri Kolar, Karel Siktanc, Karel Pecka, Ludvik Vaculik, Vladimir Karfik, Ivan Wernisch, Jan Lopatka, Sergej Machonin, Premysl Rut, Dusan Karpatsky, Vratislav Farber, Jiri Cieslar, Milan Jungmann, and Miroslav Klominek.*

We wanted to live in a common state with the Slovaks, in a state whose administrative arrangement, on the basis of civic democracy, would also satisfy the specific needs of our peoples and nationalities, whose essentiality we do not doubt. On the other hand, in the last two years, which were supposed to bring us closer to such a state, the differences and conflicts between us have grown. Without assigning major or minor blame to anyone now, we are faced by the fact that, since the elections, there are now two states instead of the former single state, two states which differ in terms of their goals. In the Czech Republic, the elections confirmed the will of our people to have a free economy and a political democracy, even in the presence of a scale of opinions and forces ranging from the left to the right, whereas in Slovakia, the elections point to a development of a society guided by the state with elements of national socialism, and these

two tendencies cannot, in our opinion, be combined in the common will under a common government. For us, this is a shock. At this moment, however, we wish to take a look at our situation without criticism and without reproach, in a sensible manner: We wish to see what new opportunities it contains and what ideas it inspires.

First of all—and if it is indeed the case that the Slovaks intended to have their elections express, among other things, also the longing for their own independent state, then we wish them success in maintaining and developing democracy and developing an economy and a political system in that state in such a way that our peoples will be drawing together in the future after the attainment of this Slovak goal. Second, and if it is a fact that only the establishment of their own state is a sign of maturity and of the coming of age of a nation, we have no reason to consider that with which we assisted Slovakia to reach this status by material and moral contributions since 1918 to be forfeited and to be a loss. The establishment of the Czechoslovak Republic was the culmination of Czech national rebirth and if the Slovaks today are parting company with us, this means that something is still missing in their efforts to achieve the same status and consciousness and we have no right to hold them back from this. Through their decision, the Slovaks are giving us an impulse and the liberty to look around for a new task in a broader horizon. And since the fall of the communist regime, we are truly seeing signals, indicating that our citizenry is in need of some kind of new "idea of the Czech state." The mere accumulation of property and a more thorough servicing of the consumption needs of the majority of the people as a political goal and as a meaning in life is not sufficient.

Let us, therefore, put an end to tension and anxiety and let us grasp this moment as a beginning of our new era. For the virtually immediate future, we wish that our politicians would not lose any time and dignity by prolonging the past, that they accept the decision of the Slovak people as a new fact, and that they deal with our Czech future. In the event Slovak politicians, by a resolution of the Slovak National Council or by referendum, confirm that which is already adequately clear as a result of the elections, we do not need any such referendum here and we reject it. Let it become clear that it is the Slovaks who are seceding from the federation and that we are then the successor state which will stick by its obligations, treaties, and relationships with regard to the surrounding world. The Kingdom of Bohemia, which is historically linked to Moravia, has no need to be confirmed by any Rome, Frankfurt, or Vienna again.

The parliament and government of a diminished Czechoslovakia will operate with more freedom, more flexibility, and at less cost. Without nationality complications, stipulations, and admonitions, they will surely be capable of discussing questions more rapidly and more substantively—questions with which three parliaments and three governments in the past have had such difficulty dealing and where the results of these dealings have not satisfied anyone. In addition to

problems connected with industrial and agricultural enterprises, these questions continue to deal with rehabilitation, restitution, the identification of those guilty with respect to the degeneration of rights, morale, and the economy after the war, the investigation and punishment of criminals. We believe that the inconsistency and weak will on the part of the parliaments and governments with respect to that which our society perceives as the debolshevization and separation from the spirit and practices of the past dictatorship have produced disappointment in the nation, as well as a decline in confidence and are resulting in the surfacing of even reckless individuals and extreme currents. Without artificial nationalization, all questions can be identified and solved more substantively, including, for example—or particularly—questions involving the autonomy of Moravia and Silesia.

The secession of Slovakia from the Czech Lands must be carried out without petty disputes regarding material details and, more likely, in a magnanimous manner. It will cost us something, but the main thing is that we shall be able, at long last, to relax and we shall make up the losses over an economically acceptable period of time. We shall no longer feel compelled by the effects of Slovak internal and foreign policy, we shall readily gain the confidence of the world, particularly under our existing name and under our existing trademark. Within our policy, every ideological and special-interest stream will find more free expression because it will no longer be necessary to add it or subtract it from the political forces in Slovakia; even the left and the right will mean something different in the Czechoslovak parliament than it does in the present mixed parliament. Let us consider the number of questions in which the simpler solution was frustrated by the obligatory consideration of nationalistic prestige. No political party, representing always only a minority of the population, will, for Slovak reasons, be forcing a president upon us who would be beneath the level achieved as a result of the election of Vaclav Havel. As a result of the prohibition of majority rule (*majorizace*), we need not permit ourselves to be "minorized."

The new Czechoslovakia, which is territorially defined by the Slovak elections of 1992, will be a state in which citizens of both nationalities will have equal rights. We do not know what standing will result for the Czechs in Slovakia. Here, a Slovak citizen will be able to hold any kind of public office, the equality of both languages will be a given. We shall continue to accept Slovak culture, which led to our national consciousness. This state will continue to be open to Slovak artists, students, and workers. In this sense, we shall retain the name Czechoslovakia in which, in the final analysis, the historical opportunity for a future connection of both states into a higher whole is supposed to be incorporated.

While our "Slovak question" received a different response than that which we would have wished for, it is, at least for a time, resolved. We can, therefore, concentrate on other questions: for example, on the causes

which not only resulted in the fall of communism, but which had brought it about. These are general questions and not even the capitalist world has made much progress in this regard. These questions have been joined by common concerns regarding life on earth.

Ludvik Vaculik's View

92CH0687B Prague TELEGRAF in Czech
18 Jun 92 p 13

[Interview with writer Ludvik Vaculik by Jiri Houdek; place and date not given: "Little Brother Sitting in the Chimney Corner"]

[Text] *Ludvik Vaculik is currently among the most important Czech writers. Many of us surely remember not only his Czech dream book, but also his works from the 1960's—Rusny dum (The Troubled House), Sekyru (The Hatchet), Morcata (Guinea Pigs). Ludvik Vaculik always took a stand on political questions, on the situation in society, not only through his books, but also through his commentaries and remarks that were formerly published in LITERARNI LISTY and in FILMOVE A TELE-VIZNI NOVINY and that now appear in LITERARNI NOVINY.*

Ludvik Vaculik is unable to keep quiet. He is an example of an author who is not indifferent to what is going on around him, what is happening in his country, where the nation is heading, and what its longings are. (On page 3, for example, we are publishing a proclamation by a number of literary authors under the heading of "Relief on the Basis of the Decision," where we shall also find, among others, the signature of Vaculik.) That is why, as early as the beginning of 1990, he wrote an article in which he compared the Slovaks to a spoiled younger brother who wants to sleep in the summertime by the window and in the wintertime tries his best to lie near the stove. Many people (frequently even those who, in the spring of 1990, stood on the side of the federation) must now, like it or not, consider this metaphor to be clairvoyant.

[Houdek] What do you say today about your comparison?

[Vaculik] I believe that this metaphor was more of a joke than clever. Not that it was not true, but at that time I was trying to express the danger which stemmed from the fact that developments in Slovakia were different. They are one chapter behind in history. And I do not mean obsolescence by this. My view is such that they did not pass through all stages through which we passed. I was afraid lest our relationships become specifically spoiled in the course of protracted and long conflicts. Naturally, I am even afraid of that today. The sooner there is a partition into two independent states, the more decently, more culturally, and better can this be accomplished. The worst that could happen would be for this tense situation, which has lasted a few days now, to drag on longer and, with time, the animosity between people

would grow proportionately. We must not permit anything to provoke us and we must also not forget that specific people in this case obviously have become victims of what is for them an obtuse political machination. A common state is defined by some four or five signs. And if someone rejects these as being unsuitable for him, nothing terribly bad is happening. If it is not to be, then, of course, it is not to be. And we will make no difficulties for anyone. Now, there has ensued a unique opportunity for people, for the first time, to begin living according to their capabilities; there is now the unique chance that no one needs to, or can, make excuses that they are worse off because of someone else, etc.

[Houdek] By his external conduct, Mr. Meciar, for the time being, reminds me somewhat of Stalin, who also based his image on a certain amount of inscrutability and who also turned up suddenly where he was least expected.

[Vaculik] I believe that, for the time being, this comparison is a bit tactless and that it would be psychologically incorrect to rush ahead with its publication. The Slovaks themselves must come to the realization as to what he really is all about. If he is attacked from the outside, this will result in efforts by many people to protect him. We should now express ourselves with the utmost restraint. For the time being, he is controllable, he is vulnerable, he is part of some kind of collective, and thus far does not have the resources in his hands to permit him to mercilessly suppress any lack of agreement.

[Houdek] If Slovakia secedes, do you believe that this will be forever?

[Vaculik] I do not believe it would be permanent. I believe that even if the state disintegrates, we must behave in such a way that we do not lock the doors forever. If the Slovaks come to understand that the dispute which is currently culminating cannot be designated as Slovaks against Czechs, but that it is a dispute between two diametrically different political and life attitudes, if they themselves overcome this conflict, then they will perhaps understand that they should not have seceded. But for the sake of them reaching this understanding, they will likely first have to secede—in other words, they must go through it.

HZDS Position on Referendum Criticized

92CH0632A Prague MLADA FRONTA DNES in Czech
21 May 92 p 6

[Commentary by Karel Wolf: "Elections or Referendum?"]

[Text] Now I know why this country will fall apart after the elections. You see, I find it difficult to imagine postelection talks between the Czech and Slovak representatives. According to Hvezdon Kocuch (HZDS [Movement for Democratic Slovakia]), we in Slovakia must now inhibit everything "tooth and nail," and this, according to him, will make "the first day of the new

federal parliament very difficult." I would like to add that it will also probably be one of its last. After all, if I add the "brilliant" political-theoretical interpretation of the constitutional law, which has been submitted by the expected victor in Slovakia, to the above-mentioned inhibition, with the best will in the world I cannot find a partner for him in Bohemia-Moravia.

However, the most interesting fact will probably be how such a postelection development will be interpreted in Slovakia. Certainly there will be talk about a lack of willingness and understanding on the part of the Czechs. After all, the HZDS now no longer needs to clearly declare its determination to break up the state. It has even given retroactive validity to such steps as the declaration of the sovereignty and constitution of the Slovak Republic, including the office of the Slovak president. It does not have to explain precisely which federal laws will be valid temporarily even after the proclamation of the Slovak constitution, why these laws in particular and not others, why and for how long they will be temporary, or whether federal or Slovak laws will have priority.

We could consider speeches about some sort of ratification referendum, which is to be called after the Slovak constitution has been adopted, to be an answer to some extent. Following this, allegedly, the citizens will be given the opportunity to ratify their supreme law. Okay. But I would like to know why they were not given the opportunity to express their opinions in a referendum prior to the elections. The HZDS's answer is that elections are, in a way, a kind of referendum. Okay. But in that case, what is a referendum for? In Bohemia-Moravia there will be elections to choose between new parties, and in Slovakia the citizens will be holding an "electoral referendum." I have often heard that the Slovaks will make their choice about a common state or independence in the elections. I am afraid that they will not be given this opportunity.

After all, the above-mentioned "brilliant" interpretation of the constitutional law will pose the citizens the question whether they will choose to elect individuals who wish to give Slovakia equality or those who wish to subjugate it. The decision is obvious. After the elections, the lack of willingness on the part of the Czechs will unfortunately come to light, and then only one choice will remain.

For this reason, and for no other, I say that the HZDS does not need to give a detailed explanation of its interpretation of the constitutional law. It only needs to deceive the public one more time, so that it can then—as it always has—appear as the only truthful party, the only one serving Slovakia.

Slovak Right-Wing Parties Look To Future**Possible Coalition***92CH0681A Bratislava TELEGRAF in Slovak
16 Jun 92 p 3*

[Unattributed introduction by TELEGRAF: "Will a Right-Wing Bloc Be Put Together?"]

[Text] As early as several weeks before the elections the ODS [Civic Democratic Party], the DS [Democratic Party], the ODU [Civic Democratic Union], and the MOS [Hungarian Civic Party] held discussions on the formation of a joint coalition, but unfortunately they were unsuccessful. The left, mainly in the Czech Republic, has united into a unified bloc and was relatively successful in the elections, while the Slovak right paid the costs of fragmentation. It is beginning to pull itself together now that it is already five minutes before midnight. Some representatives of the KDH [Christian Democratic Movement] have even expressed the view that it would be useful for the KDH to "swallow up" gradually some of the well-known personalities from the ODU, the DS, or the ODS. The idea of forming a unified conservative party which would somehow or other be a counterbalance to the growing left has thus not been totally forgotten. We asked the chairman of the KDH, Jan Carnogursky, and the executive vice chairman of the movement, Jan Petrik, just what the positions of the KDH, the sole representative of the right in parliament, are. It was a surprise that in the interviews for TELEGRAPH (a correspondent of the CSTK [Czechoslovak Press Office] also took part in them) they took clearly differing positions. How the rightwingers can get together if not even their most powerful representatives are unified on the most basic questions, we leave to the imagination of the readers. We decided to devote all of today's page to the theme of a "right-wing bloc."

Conservative Party Needed*92CH0681B Bratislava TELEGRAF in Slovak
16 Jun 92 p 3*

[Interview with Jan Petrik, executive vice chairman of the Christian Democratic Movement, by Peter Bleha; place and date not given: "Petrik: We Need a Conservative Party"]

[Text] [Bleha] Mr. Petrik, recently there has been speculation about the possible candidacy of Richard Sacher (CSL [Czechoslovak People's Party]) for the position of president of the CSFR. The natural partner for the KDH [Christian Democratic Movement] among the Czechs is in fact the CSL. Your position on this problem would therefore be of interest to us.

[Petrik] The KDH supports the reelected President Havel. Mr. Sacher did not appear on the CSL's list of candidates, so he probably does not have any significant support. If someone does not have the confidence to make it to the candidates' list, how could he all at once

have the credibility as a candidate for president.... Mr. Sacher has, in our opinion, leaned too far to the left and has appeared alongside Mr. Weiss and Mr. Meciar. And generally, his position on the lawsuit on cooperation with the StB [State Security] and his interference with the jurisdiction of Minister of Interior Andras and in the activities of Meciar when he was minister of interior, on which the documents have disappeared because six pages were torn out of the record books, are unacceptable to me. When someone can deliberately place themselves on that side, then I have suspicions that it is a matter of opportunism.

[Bleha] At this time a new platform of the Slovak right-wing forces which did not make it into parliament is being created. How do you look on this problem and are you considering joining up with them?

[Petrik] So far there has only been personal discussions between the individual officials which are taking place at the level of friendly relations. No one has a mandate for any positions from which he could form conclusions. But if we are able to put forth our program in the clearest terms which is in many ways identical with the programs of those parties which did not make it into parliament and we see that we have the strongest rational core, we will have the ambition of forming a new right wing. To what extent we will succeed in this and to what degree we will not, that will be a matter of the prestige of the others. It is difficult to predict, but a responsible approach would require that they would back off and compromise on certain positions. It would be necessary to form one conservative party along the lines of the Western parties which would balance out the predominance of the left.

[Bleha] If the ODU [Civic Democratic Union], ODS [Civic Democratic Party], DS [Democratic Party], and MOS [Hungarian Civic Party] formed some kind of a bloc, would it be possible for the KDH to join them?

[Petrik] Yes.

No Need Yet*92CH0681C Bratislava TELEGRAF in Slovak
16 Jun 92 p 3*

[Interview with Jan Carnogursky, chairman of the Christian Democratic Movement, by Peter Bleha; place and date not given: "There Is Still No Need for a Conservative Party"]

[Text] [Bleha] Mr. Carnogursky, how do you view the idea of forming a single strong conservative party that would come about by the joining together of the ODU [Civic Democratic Union], ODS [Civic Democratic Party], DS [Democratic Party], MOS [Hungarian Civic Party], and possibly other similarly oriented parties? Would the KDH [Christian Democratic Movement] joint it as well?

[Carnogursky] The KDH has remained the sole right-wing party in the parliament which will be in opposition

to the future government. This only increases the importance which the KDH will have on the Slovak political scene. We will continue to communicate closely with other parties and groups of a right-wing orientation, but we do not consider the creation of any kind of formal alliance at this time to be either necessary or useful. The specific organizational forms will develop in the course of the further political developments; a lot will depend also on the future policies of the government.

We so far consider the idea of forming a single conservative party to be premature, but we do not exclude the fact that it could take place if the left-wing government gets Slovakia into such difficulties as would bridge the differences between the right-wing groups on other questions. For example, for a certain period there were differences between the KDH and the VPN [Public Against Violence], for the entire time that the government lasted, over individual and particular, but also quite important, questions. If there is a danger or the disadvantages of the leftist government are greater than the differences over these particular questions, then we could succeed in forming a single grouping.

[Bleha] Do you think that the current parliament will last four years or do you predict that there will have to be elections before the term is up?

[Carnogursky] We have a model for another solution from April 1991 when the VPN fell apart and there simply was a change in the internal structure and a change in the political membership in parliament so that it was not necessary to call parliamentary elections before the end of the term. Something like this could also happen in the future.

Slovak Minister on Gabčíkovo, Other Issues

AU0907201492 Bratislava SMENA in Slovak
7 Jul 92 p 4

[Interview with Jozef Zlocha, minister-chairman of the Slovak Environment Commission, by Jana Bogarova; place and date not given: "Gabčíkovo—The Course of Opinions Is Consistent"]

[Text] Jozef Zlocha, a new Slovak government minister, comes from the Váh Valley. Before he took up his post, he was a Federal Assembly deputy and a member of the Environment Committee. So, this sphere is not completely alien to him.

[Bogarova] We have many environmental problems in Slovakia. However, the budget deficit does not offer much hope for their rapid improvement. What do you intend to do in the government to ensure that your department has enough funds?

[Zlocha] We knew about the deficit, but what we heard at the government session gives reason for concern. At the moment, I cannot imagine where we will get the funds we need. A substantial part of the funds in the Environment Fund have already been distributed. Fees [*prostriedky* z

poplatkov] could still be collected before the end of the year. Our predecessors did not manage things well. Not only will we have difficulties, other departments will have them as well.

[Bogarova] The previous government recommended that its successor reduce the size of part of the special state administration for the environment....

[Zlocha] I think a special state administration for the environment is essential. Anyone committed to economic results has always found a way to avoid regulations at the very least, if not the law.

[Bogarova] Will the new government's line concur with the points of view expressed by Jan Carnogursky's government on the Gabčíkovo water project?

[Zlocha] It will be approximately the same. We want to resolutely insist on fulfillment of the 19 conditions drafted by the previous Slovak Environment Commission. We could cause unnecessary harm if we are not careful.

[Bogarova] So, you do not believe in the natural disaster scenario that the Hungarian side keeps referring to?

[Zlocha] I do not believe in it for the simple reason that the arguments presented by the project's opponents often have no logical basis. For example, Mr. Duray has taken great delight in claiming that the project is a megalomaniac and Stalinist project via which communism should be exported to the Western world. This is a little naive. Some people have mentioned the seismic dangers. I am a geologist, and I know the geological structure of Rye Island [Zitný Ostrov]. I have also commissioned expert studies from the Slovak Academy of Sciences Dionyz Stur Geological Institute and other institutions.

[Bogarova] Do you agree with holding the Olympic Games in the High Tatras Mountains, although, according to the law, no activity other than conservation activity is permitted in national parks?

[Zlocha] I could not give you an opinion on this issue at the moment. I have to find out what the sportsmen and conservationists think and what the consequences of possible construction in the Tatras will be.

Slovak Papers Comment on Constitutional Issues

AU1007174792 Prague CSTK in English
0751 GMT 8 Jul 92

[Text] Bratislava—Slovak dailies today comment on Czechoslovakia's future state setup.

Czechoslovak Deputy Prime Minister Milan Čič (HZDS [Movement for a Democratic Slovakia]) says in the independent daily NARODNÁ OBRODA that the term "disintegration" should not be used when speaking about the country's future arrangement. The HZDS seeks to improve the quality of Czech-Slovak relations

based on real cooperation and an equal position of both republics. "We seek to create two sovereign states," Cic concludes.

In the trade union daily PRACA, Cic says a new draft Slovak Constitution comprises the right to establish unions with other states. The HZDS "does not count with a federation which means it does not count with a federal constitution either," he says.

On a draft agreement for a confederative Czechoslovakia, Cic says the HZDS seeks "a single currency, free travel of citizens and free movement of the labor force, a single market, single defence, the putting of tax policies on an equal footing, and coordinated foreign policies."

NOVY CAS writes that signals are ever more apparent on the part of the Czech election winner, the ODS [Civic Democratic Party], that Czechoslovakia is likely to break up into two states. However, this is not clear though the 5-6 June parliamentary elections were the beginning of a new stage of the process of building Slovak and Czech statehood. This process should be a peaceful one, the

paper says. It is the politicians' responsibility now to find such solutions to the issue of the country's future shape that would be beneficial mainly for the citizen and not for their personal ambitions, the daily writes.

KORIDOR discusses the term "unity," saying that Slovakia's further development should be marked by "national unity" of all Slovak political parties, both in the coalition and in the opposition, and their views. Unity should be applied in solving problems in all areas ranging from the economy to foreign policies.

There were only few people after last month's elections who would believe that the Czech and Slovak election winners, the ODS and the HZDS, would be so resolute in solving the issue of the country's partition, says the daily PRAVDA. "It is ever more evident that a Czech-Slovak divorce was a surprise mainly for the Slovak leader (Vladimir Meciar, HZDS chairman). He obviously did not suppose that his Czech partner (Vaclav Klaus, ODS chairman) would be so quick in abandoning the idea of a common state (of Czechs and Slovaks) built on new principles," the paper concludes.

Reactions to Court Action on Zetenyi Law

MDF Representative Comments

92CH0670A Budapest HETI MAGYARORSZAG
in Hungarian 22 May 92 p 4

[Article by parliamentary representative Zoltan Speidl:
"In the Hallways of Parliament"]

[Text] Gyula Horn is a tough man. Rumor has it he was also tough as a man in a quilted jacket [as published]. And he expects everyone to take his word as gospel. At the recent conference of the MSZP [Hungarian Socialist Party], he said in effect that the government, with the prime minister in the lead, is a group of liars. And they have the cheek to spread untruths. Namely, Antall's group says that the Nemeth administration left behind massive bankruptcy, whereas the truth is, according to Gyula Horn, that it bequeathed an elaborate economic and social program with which the country was functioning properly. And the program of the present administration is based in essence on the principles and goals worked out by its predecessor.

I am reading the press statement about the bilious attack of this immaculate man and I consider how generous our predecessors were. They gave up the glory that would have radiated on them from a functioning country governed by excellent economic and social principles, and from its grateful population. But nothing can be done if vanities were alien to them. They were not working for glory.

Zsolt Zetenyi, whom Gyula Horn dislikes for propagating a "settling of the score," in that he wants the communist murderers of the past 40 years to be named (entertaining the naive belief that crime must be punished), was recently castigated on the pages of the DAILY NEWS BULLETIN (Canada). The article, which contains falsehoods and omissions, which was published through the Jewish Press Agency, and which was written by Agnes Bohm, is one of those publications that seeks to prove by all means that in Hungary the rights of minorities are violated, Jews are persecuted, and that in this country fascist newspapers can be published openly, which seems to mean that to be a fascist here and now is no sin. One might well say: To the contrary....

The author of the article quotes Zetenyi, who said in a speech to parliament: "It is not fair that a murderer who shot a Jew into the Danube during the Holocaust can still be punished today, while the perpetrator of a murder in 1956... cannot be punished" according to Hungarian law. According to Agnes Bohm, Zsolt Zetenyi "also insinuated that Jews somehow became involved in communist crimes because many Jews had become communists after the war, as a reaction to Nazism."

I call to mind that Zetenyi said, among other things, if not word for word, that the tears of Auschwitz mothers are not saltier than the tears of those whose loved ones suffered their fate as the victims of communism. I

cannot prove it, but I am certain that Agnes Bohm's pen was directed from Budapest, and she was not told that Zetenyi is looking for criminals and not for Jews—nor even for communists. It is a shame that the author of the article did not notice or did not want to notice that Zetenyi is not speaking against someone and something, but rather for someone and something.

Simon Wiesenthal, on the other hand, understands Zsolt Zetenyi exactly. He knows there is no difference between mass murder and communist murder, whether the perpetrators are Nazis or communists. He spoke about this most recently on "The Week," a television news program.

According to the testimony of the radio program 168 Hours, Laszlo Donath, a protestant minister who would cite the murderers before the divine tribunal and not before an earthly one, does not agree either with Wiesenthal or with Zetenyi. In his opinion, the persecution of Nazis is legal, because it is sanctioned by international agreements, but for him the concept of "the crime of communism" does not exist. It does not because Stalin, Rakosi, and Kadar cannot be mentioned in the same breath, since it is well known "that Janos Kadar was imprisoned by Matyas Rakosi's circle, and it would be absurd to talk about the communist crimes of communists against communists." It may be absurd. Still, it is a fact that the mafia mentality that made Rakosi and Kadar executioners, and that made one of them a refugee and the other a prisoner (not to speak about Laszlo Rajk, the executed executioner), was one of the major motive forces of the regime. Against the henchmen of this regime Zsolt Zetenyi would like to do something.

In the background many people are getting ready to deal with the future law on abortion, and I am becoming more and more afraid that political interests will overshadow the real question, the great task of protecting life. I must admit that I am faced with one of the hardest decisions of my life as a representative, and if someone were to ask me what my opinion is today in view of all the possible criteria, that is to say, our moral, cultural, civilizational, social, and economic conditions, I would not venture to give a definitive answer. But I would like to point out a fact uncovered by a recent American survey. According to this survey, based on our quality of life we are in the middle range of the list of 141 nations, but ours is the only nation in the world with a decreasing population.

I hope Mr. Horn will not blame this trend on the Antall administration. After all, Gyula Fekete has been talking, writing, and shouting about this in vain for 30 years.

Western Experts Comment

92CH0670B Budapest HETI MAGYARORSZAG
in Hungarian 22 May 92 p 12

[Report on television interview with professors Dr. Tibor Kiraly, Dr. Sharon Byrd, Dr. Joachim Hruschka, Dr. Jozsef Foldvary, and Detlev von Bulow by A HET

TV reporter Zoltan Gyulay; date not given: "The Constitutional State and Justice—Finding Peace of Mind; Responsibility or Impunity after Communism"—moderated by Istvan Stefka]

[Text] [Stefka] Mr. Simon Wiesenthal, who became known throughout the world by tracking down Nazi crimes, gave an interview on our program a week ago. He said he sees no difference between Nazi and communist crimes. There are voices in the Hungarian press which say Mr. Wiesenthal was actually "set up." But in a subsequent statement he specified that he knew exactly what he wanted to say. As the continuation of this topic we note that the Konrad Adenauer Foundation held a meeting in Hotel Gellert entitled "Responsibility or Impunity in Postcommunist Systems (The Constitutional State and Justice)." Internationally renowned jurists and professors explained their points of view and took a stand on this difficult topic.

The question might occur to us, and not without reason: If the communists had succeeded in getting their hands on a country with well-established democratic traditions and had committed similar crimes, would judgment have been put off? Is the value of crime different in the east and the west, in Asia and Africa, and in Europe? To excuse the impunity of Stalinist crimes by appealing to Stalinism, as we could read in an article in the 16 May issue of NEPSZABADSAG entitled "Antecedents of Having No Statute of Limitations," is morbid, to put it mildly. I think we can be proud of the fact that there was no immediate calling to account, because it would have been difficult to carry out in an unimpassioned, unbiased way. We may have over-discussed the matter, but responsibility and caution are obligatory in this issue. It is time to create peace of mind for all.

[Gyulay] Professor Kiraly, did these two days strengthen or weaken your conceptions?

[Kiraly] The topic of the discussion is rather far-reaching. The issue is not only a statute of limitations and the suspension or nonsuspension of limitations, but also the importance and concept of the constitutional state.

[Gyulay] Is there a contradiction?

[Kiraly] To a certain degree it is a matter of a choice of values. My opinion is definite: There need not be a contradiction. I repeat: This is a choice between values, the conflict of justice with legal security.

[Gyulay] In your opinion, is there a possibility of limitations in this respect?

[Byrd] I would say that, according to the basic tenets of law, retroactive limitations are not prohibited. Especially towards people who have not been persecuted on political grounds, such as in East Germany.

[Gyulay] The problems are generally the same in the case of every authoritarian rule.

[Byrd] So they are. It is unacceptable that people who have never been punished officially should continue to enjoy impunity. This cannot be the intent of the statute of limitations.

[Gyulay] It is a fundamental question whether there exists collective guilt or collective innocence during and after various political dictatorships.

[Hruschka] This is a question that has not been asked before in this context. But the same question can be asked in Germany, and in connection not only with the most recent past, but also with the more distant past, the Nazi dictatorship, when collective guilt was announced by the allies. I personally would say no to collective guilt.

[Byrd] In my opinion there is collective responsibility. For instance, as an American, I feel responsible for many things done by Americans in the past. But this is a much more complicated question. Still, I would say yes.

[Gyulay] And how should courts of law deal with this issue?

[Byrd] In my opinion the past, when the conflicts occurred, must be examined. But if we ignore all of this, the whole problem becomes unmanageable and blurry, and equality before the law is lost.

[Gyulay] Professor Hruschka, do you see a difference in the solution of such problems like the statute of limitations in Germany and in Hungary?

[Hruschka] I cannot give an exact reply, because the matter of limitations, as far as the deadline is concerned in connection with the former GDR [German Democratic Republic], has not yet been solved conclusively. A draft of a proposal was submitted on 15 May to the Bundesrat [German Parliament].

[Gyulay] In this new situation, what basis can the German (now unified German) example provide for a Hungarian solution?

[Foldvary] This problem has just arisen in connection with the old East Germany. As far as I know, the Bundesrat took a stand on the issue on 16 May.

[Bulow] I applaud the fact that this topic has been discussed by this group with such openness.

[Gyulay] I think the problems are the same throughout our region (that is to say, Central Europe). What solutions can be applied here?

[Bulow] The difficulties in your country are certainly greater than in ours, because we have abolished the statute of limitations in connection with heinous and grievous crimes. The same must apply to the former GDR, if we want to have a constitutional state. Nothing can stand in our way in punishing those who committed serious crimes in the past decades in the GDR. In Hungary the problem is that there is no such law. This obstructs finding a similar solution to that in Germany.

[Gyulay] We are grappling with similar problems in this region; are the possibilities for solutions also similar?

[Foldvary] I think basically, yes. The problems are indeed the same. In essence we are dealing with questions of law, with the operation of law. In other words, to what extent is it possible to give a wide interpretation to legal regulations, what legal-technical solutions can be found in order to be able to satisfy the sense of justice that must exist in the population?

FIDESZ Member on New Credibility of MSZP

92CH0650A Budapest FIDESZ PRESS in Hungarian
29 Apr 92 p unknown

[Article by Anzelm Barany: "Has the Bolshevik Dog Turned Into Democratic Meat, or Will the Hungarian Socialist Party Become Our Tactical Ally?"]

[Text] *Can one make democratic bacon out of a bolshevik dog? This is the poetic question Gaspar Miklos Tamas raised in the Jurta Theater in June 1988. This question, which today is almost uncouth to even ask, at that time still elicited explosive laughter from the audience. Although the tactical differences were pronounced, a consensus existed in that there would be a lot of coat-turning but little cathartic about-facing during his trip to Damascus. It appeared to the moderate opposition that there was no other alternative than that of compromise, and its notable self-definition—being neither in opposition nor in support of the government parties. It was, at the same time, both a tactical maneuver and a self-appointment for filling the space of the national center. On the other hand, the radical opposition's assessment of the situation was that the party state had buckled and now was the time to make it fall to the ground. Quite appropriately, Istvan Orosz wrote during those times that it was precisely this unintentional "division of labor" of the opposition that finally brought the optimum results.*

However, times have changed since then, the Jurta Theater has changed, the dialectic materialists have changed, and the TGM's [expansion unknown] opinion has changed.

It is also possible, of course, that the fancy title became such a caricature that the question itself is posed incorrectly and that in its present form it only applies to the MSZP [Hungarian Socialist Party].

But, then, this is precisely what the debate is all about.

A Communist Will Only Be Transformed, Not Destroyed

What came out of the plebeian opposition's mouth as a disclosure and moral indignation ("Caution, they are cheating!") has by now been transformed into a noble factor of the regime's stabilization.

Those who practiced socialist law discovered the constitutional state, those who proclaimed the omnipotence of the state discovered liberalism and free enterprise, and

those who handled public assets discovered the benefits of private property. Of course, one can only rejoice when self-interests and public interests coincide.

Of course, it is somewhat funny when they want to make one believe that they are again the leaders of social progress and that their primary motivation is unselfish idealism. For they forget to add, of course, that the principle of legal security based on legal positivism also provides immunity for past crimes through the recognition of lapse; that liberalism, as the philosophy of the strong, serves those who have an advantage as well; that the sanctity of private property would from time to time also legalize their assets that were acquired under questionable circumstances; and that reference to the autonomy of institutions would often preserve the power structures that had been developed with the help of political monopoly. Thus, perhaps it was not accidental that this was the direction of the history of the comrades' mental development who, after all, remained loyal to at least one principle. Self-interest above all. Of course, I do not mean to say that everyone else is motivated exclusively by the love of country, public welfare, and other noble ideals. I have no intention of praising either the MSZMP [Hungarian Socialist Workers Party] or "the party of steadfast persons," for their steadfastness is a losers' steadfastness that reveals not only an ideological steadfastness but also an incapacity for mental development ("Be it good or bad, this is my ideology") as well as disparate interests.

When Did the MSZP Become Trustworthy?

Whenever the past is mentioned, Horn et al refer to the geopolitical constraints, to the economic dependence on the Soviet Union, and to the power structure within the state party, and not without reason. But following 23 October 1989, heaps of complete renewals and new beginnings kept flowing from the mouths of reform communists, while the III/III [special State Security department] continued to operate stealthily in the background. I would not be surprised at all if the MSZP's role in undermining the MSZDP [Hungarian Social-Democratic Party]—its main competitor—came to light. Or what, for instance, pressured Gyorgy Keleti on Christmas of 1989 when he accused Zoli [Zoltan] Lovas and Zsolt Nemeth on TV of having jeopardized Laszlo Tokes' security by revealing his whereabouts. It seems that he forgot that it was exactly the Securitate that took the pastor to Menyo. Just as this could have escaped Horn's memory, too, if he felt that he was no more responsible for the crimes of the past regime than a museum director. And, if Zoltan Zsille's statement is true, then Zoltan Gal was not always devoted to human rights either. It has become absolutely clear only now how much of a loss loose-mouthed Krasso is (even though he had an inclination for demagoguery from time to time) who could have been both an entertainer of political happenings as well as the former opposition's living conscience at the same time—a necessary supplement to realistic politicians.

For one can break with the past, of course, but it would be a bit more convincing if they admitted to the past instead of covering it up. It is comfortable and profitable to be in the position of a mere legal successor. But they should not expect me to interpret the 100-forint transactions of KISZ's [Communist Youth Alliance] Imre Nagy as a renewal. By the way, has the MSZP accounted for its assets yet?

Up to this point, I believe we can basically agree with Laci [Laszlo] Kover, who is the world's best debate partner in the FIDESZ [Alliance of Young Democrats]. He speaks with clarity because he thinks clearly and, like a good chess player, he sees what may happen several moves ahead. In addition to being happy to be able to take part in the debate with thought-provoking arguments, I have the growing feeling in reading Laci's reply that he thinks that I am a sensitive moralist who cannot get over the fact that we must swallow not only the economic frog of restructuring (the former cadres are becoming one of the change's winners by taking advantage of their good start) but also the political frog (the MSZP's return to political power as a coalition partner).

Well, I do not feel that I am an apostle of moral rigor; I know where the dictatorship of virtue has led, and I know that moralizing politics can be as damaging as immoral despotism. I know the difference between Max Weber's ethics of feeling and the ethics of responsibility, and I also know that history is not a request program and that there are more interest marriages than love marriages in politics. Thus, I oppose coalition with the MSZP, not only because I dislike its leading representatives (there are exceptions, of course, e.g., Ivan Vitanyi and Jozsef Annus, in addition to those mentioned by Laci) as well as its members whom I know—after all, this is a matter of taste—but also because of political considerations.

Is the MSZP the Lesser of Evils?

I think that cooperation with the MSZP is a rather risky, double-edged thing. If we begin playing this variation as a viable alternative, then we must prepare for a few unpleasant developments:

1. Attacks by the press will begin, and it is uncertain how much protection the press of the opposition can offer. As a sample, here is an accusation originating from MDF [Hungarian Democratic Forum] circles, where Viktor's pragmatism is increasingly confused with Machiavellianism: How much does FIDESZ, whose vest is clean but whose pockets are empty, charge for washing the MSZP's dirty laundry, soiled by its past? Or, putting it more bluntly, does Viktor Orban want to win the election with the Horn group's hidden money? According to this logic, the MSZP needs the FIDESZ as a tactical ally so that it can gain final rehabilitation through our moral capital. And then, having more experience, it would clearly gain a dominating position within the power establishment's fortifications, since the FIDESZ has

acquired only popularity and no important positions in the economy, state administration, and the press.

2. In part as a result of the drawn-out restructuring, the MDF's unstable support base, which is mostly in the country and which still considers anti-communism a watershed, clearly supports Csurka who, as a result, is becoming even more important and his distorted plebeian radicalism is gaining ground.

3. It is possible that communism has ceased to be public enemy number one in Hungary today but it has not yet become a meatless bone. And, although few people rank Gyula Horn together with Gyula Thurmer—which is also indicated by their popularity indexes—the case of the rolling dollars is testimony that the display of the past's dirty laundry in the press may yet really damage their prestige. And, is the possibility that the government party still has a few time bombs in its arsenal, saved for its election campaign, to be excluded? And, if the punctual and incidental interest conciliations that are otherwise not objectionable keep proliferating, will we not get too close to the MSZP, causing confusion—and thus danger?

4. Erhard Ludwig, father of the German economic miracle, said once—and, if anyone, he cannot be accused of having been a naive soul—that 80 percent of the economy is psychology. This must not be all that different in the social and political processes either. On the one hand, it is possible to lie by using truths and hard facts and, on the other hand, often the decisive factor is not the situation itself but rather how people perceive the given situation. Since the past 40 years was not an April joke and we cannot wipe out the past either, we can expect in a protracted crisis that populist movements will gain strength and the processes of finding scapegoats will begin. The real danger is not so much that Torgyan or Romhanyi could mobilize those who are dissatisfied, for this society is too passive in politics for the street to become the primary scene of politics. I think there is a greater danger in that democracy will lose its credibility if it is built—in fact or in people's perception—on falsehoods. Although appearances are still important even when they are not backed by a democratic spirit, democracies without democrats are susceptible to instability and self-destruction (Weimar, for instance, survived for 14 years).

5. In addition to questionable credibility and the resulting risks, I also question whether the MSZP is indeed a modern social-democratic party or simply a political organization that is based on the common interests of part of the old elite. Are they still social-democrats, even if that is against the interests of their support base? I failed to notice that they represented left-wing, employee interests in issues they are sensitive about (trade unions, the dispossession of rented apartments, privatization). For, by defending the MSZOSZ [National Federation of Hungarian Trade Unions],

which has lost its credibility, they are only slowing down the establishment of credible employee organizations that can handle conflicts.

And it really did not cost them much to consider the state's social policy and benefits inadequate.

6. Protecting private property is not connected by necessity to the demands of a stable parliamentary democracy. A stable state which, if necessary, can control the economic processes, is not in the interest of "capital stock accumulation" at all. Unfortunately, my example is from Germany again which, for reasons of security, has already extended the lapse period of economic crimes that fall under the so-called category of unification crime, for the state treasury's loss is estimated to be between 5 billion and 25 billion Deutsche marks—which is politically unacceptable in that country. And they did not even have a spontaneous privatization. (This is not a quality judgment.) The fact that the requirement of efficiency cannot be sacrificed on the altar of justice cannot mean that we should not even try to implement the views of society as a whole.

The reason why a loss of confidence in democracy and the resulting low turnout at the elections may be in the MSZP's interest is not only that this would be to their benefit as has been proven by the special elections ("The communists go to vote"), but also that privatization is still going on and it is easier under a weak administration to fish in troubled waters. By the time the reallocation of property is completed and we will be facing finished facts, society's acceptance of the new regime could sink to such a low level that the latter, without an economic upswing, will become politically unstable. Even if we suppose—but not allow—that this is the direction that is dictated by economic rationale, it is still life-threatening to ignore society's sense of justice—for many, an ancient concept.

7. This is a selfish view of party policy. The MSZP gains value as a potential coalition partner and its sympathizers who would otherwise try to vote in a useful way, would again vote for them, i.e., the party—as a "second-best"—which may become a government party.

8. And, of course, it is not insignificant either how compatible the two parties's programs are to begin with. Because if they are not, then the whole issue is dead.

9. Is this at present an appropriate issue at all? In the case of bills that require a two-thirds vote, the three opposition parties vote together without any special declaration. New factors may expand Hungary's party structure until the elections. If not, the power structure at the time of the elections and the difficult situations that election arithmetics can bring about still cannot be foreseen. Raising this issue for a prognosis may have had some benefits, but I see neither any forms, nor any further benefits, of improved cooperation.

10. I am aware that, partly as a result of the article that opened the debate, this image of the MSZP is one-sided.

Do not misunderstand: I would not want a communist vs. anticommunist antagonism in Hungarian public life—modeled after the populist vs. urban demarcation line—that asks not who goes where but only queries who comes from where. I merely wanted to present arguments for exercising great care with regard to a coalition with the MSZP.

Of course, I am not criticizing the MSZP in order to defend the MDF. I know, it is useless to be constructive if there is no willingness to be accepting, if our modification proposals, for instance, are rejected off the cuff, without thought. Frustration sharpens the tone of voice, then the other party also becomes harsher, and escalation begins. It would not hurt the government coalition either to recognize that it would be in its long-term interest not to force through everything that it would be able to do through its parliamentary majority anyway. It is almost impossible even to imagine in Hungary that, say, the prime minister, following Chancellor Kohl's example, would appoint a politician of the opposition to direct the National Security Office or the State Property Agency. The Moncloa plan, raised a year ago, could have been a suitable framework for finding minimum consensus—the smallest common denominator. And it would not have been half bad if only an intra-party consensus could have been achieved on a lot of issues. Laci is right in that no one can be expected to offer his hand again after it has been rejected. And it is also true that although the FIDESZ had a sharp tongue, it did not disregard democracy's rules of fair play.

I am familiar with the charges against the MDF, and I even agree with some of them. Of the articles I have read, the most enjoyable one with the best observations was written by Andras Bozoki, published in *MAGYAR NARANCS* ("The MDF's Metamorphosis," 1991/25). My feeling of lack in these is caused by my usual pet peeves: loss of restraint, lack of differentiation, excessive generalizations, lack of empathy, not thinking in terms of dilemmas, underestimating the role of objective causes, political journalism's excessive weight at the expense of understanding sociology. Not that this is much different in the *MAGYAR FORUM*. I think in most cases the issue is dilemmas, the danger of which I do perceive, but I often cannot decide on them. How complicated these issues are was discussed most fully by Janos Matyas Kovacs in his essay on the temptations of state intervention ("The Engineers of Transition 2000," January 1992). None of these are proof, of course, that the MDF is at least the lesser evil. I think this is still the case, but this would necessitate special evidence which I will not present here.

Debating Only With Exactness and Politeness...

In closing, a few more remarks. I had the feeling from time to time that Laci has the very vague assumption that I actually have an ulterior motive and that is why I occasionally even use the method of "If your argument is short, make it longer by a twist." Of course, I could interpret this as praise of my crystal clear logic that is

incapable of faltering but, unfortunately, this is not the case. It is also clear that those who accept everything at face value and exclude the ill will of other people, including political personalities, are naive, i.e., not good politicians. Just as it is not very fortunate if we think of ulterior motives immediately even when, with a little good faith, we could think of a simple mistake or a logical flaw.

"Let the shoemaker stick to his last" says Laci politely, but, why, I have not come from Mars to Pecs either and, on the other hand, I do not think that the selection of a coalition partner is a strictly professional issue; it is rather a political one, and comments coming from the lower echelons can strengthen and enhance the total picture or, at least, can provide feedback on what the members think.

"Those Who Are Actually Both Outside and Inside"

It is a fact that in Germany, for instance, I would not continually vote for the FDP [Free Democratic Party]. Those who at every election examine which party, in their opinion, offers the best solution for that period's key issues are called *Wechselwähler* [inconsistent voter] in Germany. Or, after Leszek Kolakowski's memorable essay ("From Somewhere Else," *BESZELO* No. 2), I could call myself a conservative-liberal-socialist who is confident that the FIDESZ will continue to be a pragmatic and flexible party. Incidentally, every West European party of any stature has long ago adapted liberalism as a minimum. And Hungary, after the decades of excess statism and paternalism, would no doubt benefit from a good dose of liberalism. I joined the FIDESZ because there was nothing else, and have I stayed because I feel comfortable here and because the organization provided a political home. Of course, I keep distance with a few issues, but I hope that critical loyalty will remain a more desirable form of behavior than keeping quiet about one's opinion.

Those who do not want to be misunderstood must express themselves precisely and in length. Since length, like the reader's patience, is finite, and deadlines are pressing, one or two understandable or imprecise wordings indeed remained in my writing.

1. I do not at all want to be an unsolicited spokesman for the FKgP [Independent Smallholders Party] leaders, and especially for the gentlemen mentioned. I was thinking of the party's simple members and voters who deserve better. It is a big enough problem for them that their leadership is plagued by such conditions, and it does not help if we, too, add a few shovelfuls by not differentiating between the offended and injured support base and its silly and inept leaders (because, for instance, even the one-issue party [pun: "one-issued" means simple-minded, short-witted] is an ambiguous punch line, and I am not speaking against humor).

2. The use of the constitutional state's concept is indeed inexact here. I was simply thinking that, instead of kangaroo trials, there could have been trials conducted

in accordance with legal norms in which convictions would have been subject to evidence.

3. The fear of precedent reminds me of the father who does not want to slap his hysterical son in the face because he would thereby violate the principle of nonviolence and because he is afraid that the next time he would beat his son to death. The opposition's argument is unclear here. If we cannot disregard the rules of the constitutional state in this case either, then it makes no sense to refer to a precedent. If, on the other hand, we are governed by the fear that this would entice the Csurka group to grow bold and to act the same way the next time, too, then the chances for that must be examined more thoroughly and, in case the necessary brakes and guarantees are missing, they must be built in. If we exclude the special situations and the possibilities of pragmatic solutions for concrete situations, then our thinking may become inflexible and dogmatic. If we have already bought our train ticket, then the rules and obligations apply to us as well, and we must accept the fact that the constitutional state is not a horse-drawn carriage from which we can get off whenever we want to, although, if necessary, we can always pull the emergency brake even on the train. On the other hand, it is questionable whether a complete legal continuity exists when transferring from the box-car to the passenger train. It is another dilemma whether a lack of confidence in the constitutional state or a violation of the constitutional state's literal interpretation causes greater damage. Of course, I too think of a solution within the constitutional framework, and I am not certain whether this would be impossible. But we have no space here for heating this up again.

4. The "copyright by" Csurka. Although I first learned about this thought from Joschka Fischer, that is really unimportant. I do not even want to state here that Csurka is right. I only say that the fact that Csurka says the same thing does not make this statement true. Two times two continued to be four even though Hitler also got the same result.

5. There is really no more space for the rest.

In closing, a quotation from Karoly Eotvos: "The objective is not that I be right but that there be truth." If this is carried out within the party, then it will be good to remain a member of the FIDESZ.

Various Views Within Coalition on Kupa Program

92CH0679A Budapest NEPSZABADSAG in Hungarian
27 May 92 p 6

[Interview with Hungarian Democratic Forum parliamentary representative Gyula Takacsy and Christian Democratic People's Party economic expert Bela Csepe by Karoly Csabai; place and date not given: "Views Within the Coalition on the Economy; They Continue To Have Confidence in Kupa"]

[Text] During the past weeks, seemingly independent from each other, the parties of the government coalition announced their modifications on the administration's present economic policy. Does this mean the Kupa program's automatic rejection? This is what we asked the authoritative economic experts of the MDF [Hungarian Democratic Forum] and the KDNP [Christian Democratic People's Party].

[Takacsy] I think that some elements of every economic program designed for four to five years will eventually need to be corrected, stated Gyula Takacsy, chairman of parliament's Economic Committee (MDF). There will probably be a certain lag in the program's implementation, and some areas of the program will need to be corrected. Thus, the administration can prepare corrections for the remaining two years until the elections. This is a practical issue. It is certain that, technically speaking, some issues must be addressed differently, but the Kupa program is still valid today. However, the individual figures are now obviously different. For instance, in the original program a 0-2 percent increase in GDP was planned but the economy's output is expected to decrease by 0-3 percent this year. However, there is no need to modify or redesign the economic program as a whole.

[Csabai] The finance minister said in his statement the other day that he feels that the fight for his post has begun. Does Mihaly Kupa at present enjoy the MDF faction's confidence?

[Takacsy] The faction assured the finance minister of its complete confidence. I myself even agree with Mihaly Kupa's tactical concepts of economic growth. It is another question that Mihaly Kupa is not the only one in the administration who deals with the economy, for there is minister without portfolio Tamas Szabo as well as the minister of industry and commerce, the minister of agriculture, and the minister of foreign trade. It is extremely important that these ministers work in cooperation with each other, and our faction does not see any obstacle to that. Incidentally, I do not feel that anyone in our faction is, or has the ambition to be, a candidate for the post of finance minister.

For one needs specific knowledge to be finance minister. Those who would be qualified for this post are occupying other positions where they are needed at least as much and, moreover, they have not worked very long in that capacity, therefore, I think that any change would be absolutely unjustified. Knowing the prime minister, he is careful on matters of personnel and would decide to remove the finance minister only in an expressly justified instance.

[Csabai] The KDNP's Executive Committee was of the opinion at its meeting last weekend that there is a realistic chance for an economic upswing. What is the basis for their statement, we asked Bela Csepe, one of the KDNP's economic experts.

[Csepe] In view of the achievements to date and the economic indices, we think there is a chance for a turn. We have already succeeded in halting recession although we cannot prove that this statement is true. The balance of foreign payments is favorable, and a significant amount of foreign capital continues to flow in. In addition, significant amounts of private savings have accumulated in the banks. Unfortunately, however, this money does not flow from the banks to production, for loan interests are very high. This is why we are urging the lowering of interest rates. At the same time, exports are increasing, and restructuring is continuing. However, dynamic measures are needed in the latter's case. But all this necessitates a change in the present monetary restrictions. We must find the ways in which the realistic sphere can be strengthened.

[Csabai] Incidentally, does the KDNP continue to agree with the Kupa program's main objectives?

[Csepe] Basically, we agree with the Kupa program although we are proposing certain corrections. First of all, it is important that representatives submit modification bills whenever possible. For instance, the KDNP proposes a decrease in social security contributions as of the beginning of next year. Furthermore, we would like to help the movements that would create, with the help of foreign capital, a banking system similar to a cooperative small-bank network that would provide loans to small producers and private entrepreneurs at significantly lower interest rates. We do not think that the responsibility for public, national, and infrastructural investments, home building programs, and public works can be assigned entirely to the individual ministries. For this reason, a state organization should be created which would be independent from, but would work hand in hand with, the ministries and which would coordinate development as well as capital acquisition.

[Csabai] In your opinion, what are the chances for the small economic growth that is planned for this year?

[Csepe] While we are confident that the upswing will begin yet this year, we dare not delve into any quantified prognoses.

[Csabai] The concepts of the KDNP's Executive Committee are very similar to the MDF faction's Bala-tonkenese resolutions. Did the two parties establish relations with each other to work out any kind of a joint program of action?

[Csepe] I could say that it is rather the MDF's concepts that are close to ours, for our congress took place before both the MDF faction's meeting and the closed cabinet meeting. Of course, we are in contact with leaders of the major government parties, and we present our ideas to them.

Ministry Official Describes Energy Policy

92CH0679B Budapest UJ MAGYARORSZAG
in Hungarian 26 May 92 p 7

[Article by Laszlo Doczy: "Direct Connection With the West; Hot Lines of Energy"]

[Text] *In the future, Hungarian energy policy is expected to be governed by three pursuits. These are: to bring, through diversification (i.e., varying the routes of acquisition) an end to being at the market's mercy; to become connected to West European pipeline networks; and to use increased foreign capital in Hungary's energy industry, said Ministry of Commerce Deputy State Secretary Arpad Bakay yesterday at the BNV's [Budapest International Fair] Energy Day.*

From the aspect of our oil supply, it is a serious technical obstacle that the Adrian pipeline has not been operating since last fall and that we have no realistic chance for building another pipeline, said Bakay. However, it is among the portfolio's plans to connect Hungary to the pipeline that connects Trieste and Ingolstadt, Germany. The 600-mW transmission line that will connect the Hungarian electric network with Austria is under construction at present and hopefully will be operating by year's end. In the future, Hungary may become an important country of east-west electric transit for, as a result of a decrease in industrial output in this region—in Poland and Ukraine in particular—a significant surplus of electricity has developed, which is one of the East European countries' most promising export commodities. Incidentally, primarily because of a decrease in consumption, imported electricity fell from 25 to 6-8 percent of Hungary's total consumption.

Domestic production fulfills about 50 percent of our need for natural gas, the other half needing be imported from abroad, but we are connected only with the former Soviet states through gas pipelines. Unfortunately, the suppliers set their prices with an "awareness" of our resulting technical dependency. Thus, the gas line connecting Gyor with Baumgarten, Austria, through which we can be connected to the Western network, will gain strategic importance in the future. In accordance with the agreement between the IKM [Ministry of Industry and Commerce] and the AVU [State Property Agency], a contract must be signed with the builder in which a certain amount of gas supply (at the other end of the line) is guaranteed. However, by and large, the ministry intends to continue acquiring natural gas from the countries of the eastern region.

With the start of economic development, we must expect an increase in Hungary's need for electricity within a few years, which will necessitate the construction of new power plants. On the other hand, it is still unclear which branches of the industry will catch and whether they will include those with a lower need for electricity (e.g., pharmacology) or those which use much electricity (e.g., the machine industry). Arpad Bakay pointed out that machine industry investments are enormously expensive

and, in view of the country's burden-carrying capacity, superfluous constructions are unacceptable; this is why the administration decided on a flexible strategy of power plant construction. Accordingly, small-output (100-200 mW), inexpensive, and easy-to-build gas turbines will be built in the coming years. The so-called BOOT method may be one way to build these, namely, the foreign firm would carry out the investment project, would supply the gas needed for the operation, and would market the energy. This would assure Hungary of both a certain legal standing and a supply. Bakay also called attention to the need of developing Hungary's social acceptance of power plant construction.

It would be similarly important to encourage energy-efficient investments in the future that would also contribute to the amelioration of our procurement problems. Unfortunately, there can be no provision for such investments in our pressured budget situation, said Arpad Bakay, although the industrial portfolio keeps "bombarding" the Ministry of Finance in order to attain various tax and tariff breaks for energy-efficient investments. Thus, foreign aid can also be considered in the future.

International Industrial Cooperation Organized

92CH0679C Budapest MAGYAR NEMZET
in Hungarian 27 May 92 pp 1, 9

[Article by (gergely): "A Mini-CEMA Is Born in Szekesfehervar; Cooperative Industrial Centers"]

[Text] The leaders of the National Association of Hungarian Industrialists [MGYOSZ] want to establish industrial centers. In the spirit of the plan, they began a three-day conference on Tuesday with Russian, Ukrainian, Slovene, and Czechoslovak participants. It was not accidental that the city hosted this program: Through the efficient cooperation of Director General Gabor Szeles, an industrial park is in the making at Videoton and its surroundings, which will provide the cornerstone for the international association.

In connection with the event, MGYOSZ President Gabor Szeles, Videoton's Director General, and Szekesfehervar Mayor Istvan Balsai, presented at a press conference the idea of a modern-day Hanseatic League. They think that it is not very probable that former socialist countries will be able to take big strides together toward catching up with developed Europe. However, individual industrial cities, and their industrial centers, have a better chance for a more rapid development. For this reason, said Gabor Szeles, establishing a system of relations from below will provide a way, through cooperation in production and in the market, for speeding up development. The establishment of relations is based on the fact that significant investments had been made in the countries of the former East European bloc in developing the war industry, and now these industrial bases would provide an opportunity for the development

of nonmilitary production with good markets, especially if these firms would be willing to accept cooperation and coordinated development.

It can be seen that these cities and regions with good industrial traditions have become, almost without exception, part of a crisis belt. For this reason, it would be necessary to develop industrial centers that would assure that ventures operate economically, and that they would jointly explore the markets of other countries. Several organizations, made up of industrial firms from Moscow, Kiev, Czech-Moravia, Zagreb, and Ljubljana, sent their delegates to the three-day conference.

Gabor Szeles has already consulted in Muenster with both G-7 representatives and members of the Visegrad Three, and the delegates of the four CIS [Commonwealth of Independent States] members, and last week with Ukrainian prime minister who was visiting Videoton, about the association that was drafted three months ago at the MGYOSZ. It was mentioned several times at the Muenster economic summit that they need concrete projects from the East European countries, that the association of industrial centers and their programs are considered such projects, and that they are willing to cooperate with the participants. Precisely for this reason, the minutes of this conference will be sent to Germany's economic minister who hosted the Muenster economic summit.

At the Szekesfehervar conference, the participating representatives of foreign and Hungarian industrial centers are actually establishing a new, mini-CEMA of our days, but it is also true that creating the necessary conditions in Hungary is given special emphasis. Geza Kelemen, one of the main speakers at the conference, will give a presentation on how to develop an economic policy which is based on taking advantage of Hungary's geopolitical situation. Special working committees are being formed by the participants at the conference, dealing

separately with cooperation, joint production, and coordinated marketing. In addition to coordinated development of electronics, computer technology, communications, vehicle manufacture, and the chemical branches, committees will also be formed on former war industrial bases for certain basic-material production and for exploiting markets and possibilities for modernizing technology in some areas of metallurgy. One of the participants of the briefing, i.e., the conference, was Ozd entrepreneur Janos Petrenko who said that, since the crisis management program for Hungary's metallurgy is in the making anyway, it is possible to have Hungary's steel industry join the newly formed mini-CEMA at an adequate level of quality.

In reply to our question, Gabor Szeles said that he does not consider the association that is being organized—and its Hungarian and international program—a criticism of the industrial portfolio's concept of industrial policy. The truth is that the ministry is trying from above to make Hungarian industry stand up, but the cooperation of industrial centers is a natural occurrence that is organized from below; it would be good if the concept of industrial policy and the plan of the association would converge. It was in this connection that Szekesfehervar's mayor related that a year-and-a-half ago the ministry "appeased" the strikers at Videoton by assuring them that the future industrial park would be able to provide jobs and good prospects for the city's workers. Through Hungarian and foreign capital investors and international companies, the industrial center is being developed at present both at Videoton and in the city as a whole, and it would be good if the ministry would also provide support. Gabor Szeles noted that he did not consider it an unfortunate situation that privatization in the foreign industrial regions and cities that want to join the association is not synchronized, i.e., that potential capital investors may also have interests that are different from those of the association. He thinks that those who are leading in privatization may even serve as consultants for the others, as happened last week in Szekesfehervar when the Ukrainian prime minister asked for the help of Hungarian experts.

New Social Movements, Paramilitary Organizations

Parys Defense Committees

92EP0465A Warsaw POLITYKA in Polish
No 21, 23 May 92 p 3

[Article by Marek Henzler: "Everyone Wants To Be a Commander"]

[Text] In recent weeks we have been hearing more and more about the formation of new social movements, some of which frankly do not conceal their paramilitary character. Strzelec is developing. The farmers from "Self-Defense" want to form peasant battalions. Social committees are defending Minister Parys, and he himself proposed Committees for the Defense of the State. In Krakow an initiator of a National Guard appeared, and deputies from the Confederation for an Independent Poland (KPN) are forming KONTRA [Movement Against Economic Pathologies]. The apolitical army is becoming more and more enmeshed in politics.

"It was not Mr. Parys, but I who was to have been the minister of defense. After all, I made 1,806 free appearances for the army, paid 2 million zlotys [Z] for the defense of the Republic's borders on the West—here, I have proof of this payment—and today Mr. Parys is being put on a pedestal and I am being persecuted," says an agitated older gentleman in the Warsaw headquarters of the Parys Defense Committee (KOP).

"Come back tomorrow morning," Lech Jeczyk, press spokesman for the KOP, hastily advised him, "that is when the veterans come here...."

"The first was the Lodz Parys Defense Committee," says Tomasz Stanski, chairman of the interim leadership structure of KOP. Its formation only hastened the actions of the Warsaw Citizens' Accord (WPO), whose members had already given thought to the defense of Minister Parys earlier.

WPO was formed in February 1991 and was a union of a couple of political groups of an independence and Christian-Democratic orientation, in favor of early elections to parliament. The elections did not take place in May—not until October of last year. The leading WPO activists did not get the right to vote and WPO lay "dormant" until the conflict about Minister Parys arose.

The Lodz KOP, started by Piotr Jaworski (member of the Freedom Party and a history teacher), and comprised also of members of Center Accord (PC) and Easter-border organizations, demanded that the prime minister "not dismiss Parys and not sacrifice him to the great coalition." On 17 April, it transformed itself into an all-Poland committee, but the initiative was quickly taken over by activists from Warsaw and NOWY SWIAT newspaper. In it can be found the appeals, bulletins and addresses of KOP, as well as information as to who supported Minister Parys.

The list of parties and organizations is not very long: In addition to the voivodship structures of PC (but supporting the Kaczynski faction), there are the Conservative Club from Lodz, branches of the Polish Independence Party (whose leader before being appointed deputy minister of national defense was Romuald Szeremietiew), the Freedom Party, Lech Walesa's Elections Coalition from Tarnow, the Young Christian Democrats Union, the Loyalty to the Republic Party, the Repair and Development Movement, various veterans' organizations, and also—from all accounts it not longer exists—the Association of Young Officers on Behalf of Changes in the Army.

On 24 April, Warsaw journalist Stanislaw Remuszka's (involved in Parys' defense) Private Street-Polling Bureau conducted a poll which showed that 33 percent of the "street" says that Parys is right and 21 percent says that Walesa is right. Asked who should leave, more votes indicated Walesa than Parys.

"That was an additional incentive for us to integrate the movement to defend Minister Parys," says Stanski.

On 2 May, approximately 100 people assembled in Warsaw created the All-Poland Committee for the Coordination of Parys Defense Committees. The minister himself appeared at the gathering. He made a "save the country" appeal, spoke of the "list of national disgrace," those who supported the army "when it was connected with a foreign power, and who now attack the army of an independent Poland and its leadership...."

"I appeal to you," he said further "let us stop and think whether in a case when the country finds itself without a budget, when the government finds itself without power, when the parliament finds itself without laws and regulations, should not Committees for the Defense of the State be formed? Let this be something on the order of an ideological-moral movement, not any kind of party but an ideological movement, because we have a vivid ideal of a state which is a common and moral weal, because it will be supported by people with clean hands."

After this speech, the very same day the prime minister once again put Minister Parys on leave. However, those assembled passed two resolutions. They sent a letter to the pope and formed a leadership group of five people. They include: Tadeusz Stanski as the main coordinator (KPN was my idea, he says: He left it along with R. Szeremietiew in December 1984 in protest against "Moczulski's dictatorial policies." In 1985 they founded the Polish Independence Party. From the time that Szeremietiew left for the Ministry of National Defense its leader has been Stanski); Wojciech Bogaczyk (activist in the Christian Citizens' Movement), Stanislaw Mazurkiewicz (KPN activist-democratic faction. This faction left Moczulski a year ago when his program became too populist), Jerzy Robert Nowak (two years ago leading Democratic Party [SD] activist and now in the Repair and Development Movement), and the initiator of the Lodz KOP, Piotr Jaworski.

"Right now our only goal is Mr. Parys' defense," says Stanski, "but the problem is much broader and there are different viewpoints among the almost 4,000 people who signed our appeal. Whether we will transform ourselves into Committees for the Defense of the State, or into a movement in behalf of the Republic, is an open matter."

To begin with, another assembly was set for 5 June, at which a decision will be made as to how to proceed further. According to Stanski and Mazurkiewicz, the KOP's are a legal structure, just as were the citizens' committees which were formed earlier, or even KOR (Workers Defense Committee). If it became necessary, they could also transform themselves into associations, for example.

Why do they defend Parys?

"We identify with what he is doing in the army," says Stanski, "and furthermore, although we won and overthrew communism, society is more and more aware that nothing has changed. Parys began to throw out the generals and gave the people a certain satisfaction. It is not true that the people are concerned only about fully stocked shops. The people are not only glad to be done with communism, they are also weary of the transition period in which so much is not succeeding. From the letters written to KOP it is apparent that people are disappointed in Walesa's presidency and no one is proposing that the Wachowski Defense Committees be organized."

Meanwhile the leadership of KOP sees that the present political structures are incompetent, they are becoming obsolete, and some parties are already demanding that the elections be hastened. "If Parys is sacrificed, ceases to be minister, and wants to head it up, that will definitely enliven our movement," believes Stanski, "we can then become an important political force. Parys has shown himself to be a man who knows how to fight for what is his."

KONTRA Movement

92EP0465B Warsaw GLOB 24 in Polish
8-10 May 92 p 1

[Article by (mark): "Confederation for an Independent Poland's Movement Against Economic Pathologies"]

[Text] "Today the Confederation for an Independent Poland [KPN] deputies formed a Movement Against Economic Pathologies [KONTRA]," reported Krzysztof Krol, head of the Confederation Club, during Thursday's conference in the Sejm.

The KONTRA movement will be organized around the KPN Senators and Deputies Offices. The activists in the Confederation await reports from citizens pertaining to any kind of signs of "economic anarchy, stealing from the state treasury, or plundering of national assets," we read in a flyer specially printed for this occasion.

It is the opinion of the KPN leaders that the deputies can conduct an inquiry based on Article 19 of the law on the duties and rights of a deputy, which state that every parliamentarian "has the right to obtain all information and materials and to look into the activities of the organs of state administration and state enterprises and other units of the socialized economy."

Deputy Krol announced that all materials pointing to the existence of an economic scandal will be turned over to a penal prosecuting agency. Asked whether this would not conflict with the work of the police or the public prosecutor, he retorted: "We did not consult with either the Ministry of Internal Affairs or the Ministry of Justice, but we had to form our movement because the courts, prosecutors, and police are ineffective."

Asked whether the KPN's antiscandal initiative is only one more step in the preelections campaign (statements were often made by KPN activists that the elections must be held this year—editor's note), deputy Krol replied that he knows more effective ways of conducting a campaign.

The KPN deputies criticized Prime Minister Olszewski, who promised that by the end of April many matters will be revealed, and did not fulfill his promise. The prime minister, in his expose, said very firmly that in matters of scandals he will be color-blind, but I am afraid that is also myopic—concluded Krol.

KPN's Strzelec Organization

92EP0465C Warsaw POLITYKA in Polish
23 May 92 p 3

[Article by Aleksander Checko: "Military Training"]

[Text] "The people in the ministerial positions in the army are sympathetic to our movement and are ready to help us," reported the riflemen's newspaper SZANIEC in March after a meeting of the representatives of the Strzelec Rifle Club with the deputy minister of national defense, Romuald Szeremietiew. "We are returning to the tradition and form in which Strzelec existed during the period of the Second Republic. We will have our own place in the defense system of the Polish State. Cheer up... above us flies the White Eagle."

Several rifle organizations have appeared in Poland. Since 1990, they have competed to work together with the army. Finally, a joint representative committee for army contacts was formed and declarations of nonpolitical involvement were made. These two conditions, set by the Minister of National Defense (MON), were not accepted by the representative of Leszek Moczulski, who is both the chief commander of the Strzelec Rifle Club and the leader of KPN [Confederation for an Independent Poland].

Most of the other rifle organizations, wanting to obtain the tutelage of MON, accepted the statute and the program resolution. These documents provide that the

clubs will report to MON as regards military preparation and training. We know that what is most important to the approximately 1,000 members and 500 supporters who participate in rifle events is direct contact with military units, where training can be accomplished, or in another words, a "little shooting can take place."

Although Strzelec's history goes back to the paramilitary organization founded in 1910 (reborn as a state, patriotic, social-upbringing youth organization in the Second Republic) and is based on healthy national and Christian foundations, nevertheless its existence and increasing popularity among youth is surprising. In the past, the attitude of those facing conscription was expressed in the word "evade." Military registration cards were burned publicly. And now, in the presence of pacifistic and anarchistic movements, there appears—propped up by patriotic slogans and history, often nationalism—a fashion for wearing a uniform among the youth.

Without question, this is very convenient for the army, which is weak financially, organizationally, and in terms of staff. Although it may seem strange that it loans blankets for camps and gives groups of rifle enthusiasts a chance to "shoot a little," instead of taking on the difficult job of cooperating with the split, but still half-million-member, scouting movement and concerning itself seriously with the problems of the physical and mental fitness of the young people.

At a recent press conference in the MON building, the Strzelec commander reported that what is most important for his boys is that they have uniforms. "I myself" he said candidly, admitting that he broke the law, "borrowed a tunic from an officer-friend." Borrowing a weapon—it was said—is out of the question.

Most of the rifle-club youth (they are accepted at age 16) face military service. In accordance with statutory requirements, they create a structure based on the administrative division of the country and corresponding to the defense structure of the state. Districts are made up of brigades, these of battalions, down to companies, platoons and squads. The last are basic units numbering up to 10 persons. Male and female units in a given area create one structure. The members of an association are divided into active, cooperating and meritorious. The first—as may be guessed—will increase.

Also coming in waves—so they say in the headquarters of the Polish National Union-Polish National Party—are young members of these nationalistic organizations. "Other parties lack youth, and we," they say proudly "have over 20,000 members already, of which 70 percent are youth." But it is nonsense—they say—to classify them with paramilitary organizations. The drills, visible to the naked eye, the fashion for the military uniform, and the signs of compulsion in behavior, presumably mean nothing.

On matters of training, paramilitary operations, the Polish National Party refers them to Strzelec. The KPN

or the MON? "And is this not possibly one and the same?" they reply to the question with a question, and say "Different Strzelec's are cutting themselves off from one another and openly train people to take over authority in Poland by force." B. Tejkowski's youth has a bad attitude particularly towards KPN and its Strzelec. It was from them that they encountered, they say, attempts to infiltrate into their own structures.

Meanwhile the Strzelec Rifle Club, whose chief commander is L. Moczulski, is moving its entire staff from Poznan to Warsaw. Aleksander Chadzynski, chief of staff of the inspectorate for the Strzelec Warsaw District, reported this, adding that this move is a secret. The organization, which was registered with the court last year, has been functioning since 1989. The strongest centers are in Krakow, Katowice, Poznan, Siedlce, and Lublin. In the Warsaw District, Mr. Chadzynski, a retired warrant officer, has at his disposal approximately 500 riflemen, preconscripsts, 16 years of age and above. Many of them, he says, have dual memberships: They belong to Strzelec and to KPN. In Strzelec, there is an "Eaglet" unit, for the youngest members.

In addition to the models of patriotism, they are fascinated by the elements of muster and discipline. They like the assemblies, the physical exercises and the military discipline. Retired officers and teachers also apply for staff positions. Strzelec calculates that it has several thousand members throughout the country.

"We do not have any secret exercises in the forest with weapons," the chief of staff assures us and insists that they had no part in the illegal maneuvers in the Lublin area. "Our Strzelec drills on firing ranges. For example, in the National Defense League [LOK] center in Bialoleka, under the eye of instructors and with parental consent. By the way," he says, "LOK is bankrupting and it seems that we will be taking over its property."

The National Defense League's property is priced at 2 billion zlotys [Z]. It includes a few hundred centers, a firing range, over 50,000 units of small-caliber and pneumatic weapons. LOK, contrary to what the KPN is saying, is doing well. It is an independent association which cooperates with MON but has its own, indivisible property.

The president of LOK, Col. Grzegorz Jarzabek, has not heard that anyone "has an eye on the League" or is attempting to split the organization from the inside. In any case, under the present statute and organization that appears to be impossible. It is true that various groups and organizations are offering to collaborate on an ongoing basis, without a formal agreement, but after all "LOK is an association of all Poles who are joined together by ardent patriotism, by striving to strengthen the defense posture of the Republic of Poland, and by their readiness to defend it in case of need." The members of the Gun-Hammer Brotherhood, and also the members of Strzelec, were primarily former, or are now, members of the League. But when some group—like

Strzelec from Warsaw's Prague District, applies, and asks the League to formally sponsor it—president Jarzabek refers them to the state institutions. Everyone would like to be a commander today, is his comment on these grass-roots initiatives.

Peasant Battalions

92EP0465D Warsaw POLITYKA in Polish
23 May 92 p 3

[Article by Marek Henzler: "Self-Defense"]

[Text] *"We should take a stick to both of you—Are you sick, blind, deaf?—The peasants will force you to think!—Do you not hear? Poland is dying..."*

The above is a fragment from "A Brief Encounter Between Lech W., Jas O., and Andrzej L."—from the "poetry" of the farmers who recently occupied the Ministry of Agriculture.

The Farmers Trade Union "Self-Defense" "acts within the framework of the constitutional legal order..."—that is what the union's statute, registered 10 January 1992, says. The chairman of the union is 38-year-old Andrzej Lepper, technician-farmer, member of the PZPR [Polish United Worker's Party] since 1980 and an employee of the Plant Growing Station. For 12 years he has been working on his own 120 hectares in Zielnowo near Darlowo. He has a wife, daughter, two sons, three tractors, two combines, a steady employee, and 700 million zlotys [Z] of debt, which everyday grows by Z2 million in interest. At present half the land is lying fallow. The rest, he says, he sowed, but without a gram of fertilizer or a drop of pesticide.

Lepper does not hold the record for farmers in debt. Some are even "billionaires." If the debt problem is not solved in the very near future, then according to the chairman, the sheriff will be at the gates of 200,000 farms. "Self-Defense" will not allow this to happen. Antienforcement Sections are already standing in defense of peasants' goods and chattel. Grazyna Tyszko, from Pabianice, heads up the National Antienforcement Sections.

On the day when the sheriff is to come to the farmer, an 8-10 person Anti-Enforcement Section, mustered from the local members of "Self-Defense," also appears in the village. They video, photograph, and write down the personal data of all of the participants of the auction: the sheriff, the bank representative, and the persons who want to buy the property being auctioned. The section members try to convince those gathered that the actions of the sheriff are "illegal," that it is necessary to wait for the results: first, of the promises made by the minister of agriculture, then the sit-in and hunger strike in the Ministry of Agriculture building, and now the agreement signed by "Self-Defense" in the Office of the President.

"The union was formed to protect the 'dignity and the occupational rights and interests' of the farmers,"

Lepper says, "therefore the sections are acting in accordance with the law. There is nothing about them in our statute, but since in Poland the law means nothing... and the person who wins is the one who protects his own interests, so we, too, cannot wait."

"Before the war it would have been a disgrace for a peasant to take the property of another at auction, and if someone like that did appear, his own property would have been set afire," says the leader of "Self-Defense." "We will not burn anyone's property," he says, "but we will publicly condemn. On the other hand, if force is used against a farmer, then the section will respond with force."

Word has it that there have already been three cases in which farmers have been beaten by sheriffs, policemen, or people from special collection agencies. The wife of a farmer was physically assaulted in the Ilawa gmina (the case is in court) and in the Mogilno gmina the sheriffs "bodyguard" threatened a farmer with a drawn pistol.

Lepper recently announced that he will organize Peasant Battalions. "The press twisted that," he charges "I would like to restore the prewar 'Falcon,' which during the war was the base for the Peasant Battalions. The task of the new Falcon will be to develop the physical fitness of the youth in the countryside, its patriotic upbringing, and also paramilitary training. The latter is also necessary. All we have to do is look at our neighbors," remarks Lepper.

But nothing links "Falcon" with Strzelec, particularly the KPN Strzelec, although Lepper and Moczulski have their Warsaw headquarters under the same roof. For a couple of months already they have been arguing over two rooms vacated by the Volunteer Labor Brigades. It has even come to fisticuffs.

"Let us see what the government will do with our debts. We will form the battalions when we get the consent of the old activists of the Peasant Battalions, mainly General Kaminski," the chairman of "Self-Defense" assures us. "We, too, have the right to the name. After all, last year there were 2,000 suicides in the countryside—that is how much peasant blood has been spilled...."

The expansion of "Self-Defense," which, it is said, already has 100,000 members, has disturbed the "old" parties and peasant unions. Pawlak's Polish Peasant Party (PSL), Slisz's PSL "S," [Polish Peasant Party "Solidarity"], and Rural Solidarity.

PSL "S" is part of, or supports, the government coalition. It had to blunt the edge of the peasant claims, and unquestionably this is to the advantage of "Self-Defense." Hence the violent attacks on it and its leaders.

Henryk Strzelecki, chairman of the National Commission of the Peasant Battalions (functioning in the PSL), came out against the creation of new peasant battalions, advising Lepper to give his "military units" a "name which reflects its ideological origin...."

Lepper shows the already unglued "message" of his new movement, which, among other things, states that "the Polish society must take its fate into his own hands and fight a successful battle for its human and civil rights."

"All it takes is that the Self-Defense of the Republic of Poland is formed by the farmers, the employees of the bankrupting State Farms, the homeless, the jobless, the retired, the pensioners, and so forth," Lepper says, "and we will become a force which no one will stand up to and we will win what we want. That fact that we must be contended with has not yet been noticed by either the minister of agriculture, other farmers' unions, the prime minister, or the church. President Walesa has taken notice of us and invited us to the Belweder. But we have nothing to do with the idea of creating a presidential party. Anyway, not at this time...."

Some observers of Lepper's union associate it with 1980, when Walesa created Solidarity. But Solidarity was a union of hope—"Self-Defense" is a union of despair.

Private Security Units

92EP0465E Warsaw TYGODNIK SOLIDARNOSC
in Polish No 22, 29 May 92 p 11

[Article by Marta Miklaszewska: "'Special-Confidence' Firms"]

[Text] Regulations published in 1938 described these enterprises as requiring special confidence. Today this description is equally, if not more, timely, but it still must be translated into a language of concrete laws.

Three years have passed since these enterprises began their practical operations. Today they have modern weapons, transportation and communications equipment, computers, money, technical-operations knowledge, and highly skilled personnel.

We do not know how many of them there are. Maybe 30,000, maybe 50,000. They function in 6,000 firms concerned with the protection of people, property, detective work, and sales of weapons, ammunition, and explosives.

Who are the people employed there? According to estimates, 80 percent are former militiamen, Security Service functionaries, soldiers, including those from the special services. This powerful paramilitary army of people who were discharged from, or who left for financial motives, the internal affairs or national defense ministries, are counting on fulfilling, in new, private organizations, their professional ambitions and greatly improving their standard of living. Many of them have committed censurable, if not punishable, deeds during the past 10 years. At least some of them are the kind of people who are capable of doing anything. They work on orders and the main motive of their activities is money.

A partial inspection conducted at the instructions of the Ministry of Internal Affairs (MSW) indicated that various types of dangerous abuse are present in the functioning of these firms: Sale of gas weapons and ammunition to persons who have no official powers, lack of licenses to buy and sell pyrotechnic materials, improper storage of weapons and ammunition, "underground" employment of criminals, and also, on the other hand, actively employed policemen and soldiers. Naturally, it is not hard to guess where these latter are really working.

These firms maintain and make use of contacts with employees at various levels of the state administration, with political organizations and with penal prosecution organs. Some of them buy information from the police. This is a procedure which is difficult to unmask because these transactions frequently take place between former colleagues. People from the firms are tied by a thousand ungraspable threads, in different fields of the economy. Many of these enterprises could not function were it not for the police information service; e.g., those who make their living by finding stolen automobiles. There are rumors that some of them are able to extract important data on certain groups of crimes from the memories of police computers.

During the past three years there have been cases in which the employees of these firms took "unconventional" actions. They forced the return of debts, kidnapped children, and "repossessed" automobiles. Complaints about the activities of the firms come into the organ which granted the license only in those cases which are of a criminal nature and have been widely publicized. The others end up at the police station or in the regional prosecutors' offices.

With the laws and organizations as they now are, the activities of these enterprises can transform themselves into underground criminal operations. The uncontrolled sales of weapons and explosives, technical equipment which the rank-and-file policemen can only dream about, the unrestrained influx of people with suspect or actually negative biographies, make this easy. In 1990, an employee of one of these firms shot three men in Gdynia. Possibly it may come out as to how the killers of a policeman from Bytom and criminals from near Zyrardow came into possession of high-grade weapons. Almost anyone who offended someone, did not pay a debt, or on whom revenge must be wrought, or who by accident found himself in the line of fire, can become a victim of a crime. This is how it is now. And tomorrow?

In the last few months, the "special-confidence" firms began to organize. They formed a nationwide union with headquarters in Warsaw. Each of them separately can "bug" someone, harass him through surveillance, or in an extreme case beat him up or kill him. Combined, they constitute a paramilitary force capable of winning a small battle or conducting a coup d'etat. Only one question remains: Who will make them the right offer, and when. Will these be foreign special services, or businessmen who want to determine, at any price, what

their competition is, or will these be domestic political organizations who decide to take power by force. This is, of course, a catastrophic way of looking at things, but aside from it, there is no other practical viewpoint.

Enterprises of this type operate in the entire civilized world. The changes in political systems and in the economy which have been taking place recently have created a real demand for them, and in our country too. The basic clientele of these firms are business people. They have a right to protection against the invasion of mafia groups, often of an international character, against the constantly growing crime in their own countries, to which the police cannot give a sufficiently convincing reply. Only those firms, thanks to their technical equipment (the use of monitoring, for example) are able to protect enterprises against theft, break-ins, and stealing of property. Thus they are just as necessary as they are dangerous.

But the question still remains—how to effectively control their activities. Under the laws now in effect, anyone who wants to engage in detective or security work, or weapons sales, can obtain a license in the appropriate MSW department. A foreign firm and a Polish firm with foreign capital can also obtain a license. As of now, there is no clear official basis for refusing to grant one. Nor is there any real ability to determine whether the information submitted by the persons establishing a firm, is true. True, there have been cases where a license has been revoked, but not many. Usually they involved the commission of a crime by one of the firm's employees. The demand that the functioning of these firms be regulated by law does not therefore seem to be only an attempt to take up the time of the already overburdened legislative organs.

The revolution in the Polish political system and the take-over of authority has thus far proceeded very softly. But we must be clearly aware that this is not yet the end of this revolution. In our society there are still forces equipped with money and organizational experience, waiting patiently for the right moment in the domestic and international situation, so as to again reach for power. The security, detective, and weapon sales firms have a common characteristic: Anyone can buy them.

Changes in Draft Law on Reprivatization Noted

92EP0505A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 8 Jun 92 p 1

[Article by A.K.K.: "Reprivatization Plans"]

[Text] Work in the Ministry of Privatization on another government draft law on reprivatization is coming to an end. Now we have to wait for the next stage of discussion—in the already new, undoubtedly, Council of Ministers.

The representatives of all the ministries met in the Ministry of Privatization for consultations regarding this draft. As the director of the privatization department,

Narczyz Hofman, reported at the end of the meeting, a considerable number of proposals were made, some of which the ministry accepted and the others appear in the record of divergences.

The most important changes involve the deletion, from the scope of the binding force of the law, the decree on state receivership dated 16 December 1918 (because this problem is covered in the law dated 25 February 1958 written into the draft), and the law on use and conservation of inland waters. In addition—taken into consideration were the decree on agricultural reform, the decree dated 28 November 1945 on the taking over of some land for the purpose of agricultural reform and settlement with farmers, and the decree on nationalization, but only when these rights were violated. Also, the decree dated 7 April 1948 on the expropriation of properties occupied for public purposes, was added to the scope of the binding force of the law.

Among the items not subject to return in kind, in addition to buildings which are historical monuments, at the proposal of the Ministry of Culture and Arts, an entry on movable objects of historical value was added. The minister of culture and arts will define the basis on which these objects will be included in the category which is not subject or will not be subject to return.

Also deemed to have expired are claims for damage which occurred in connection with World War II and the obligations ensuing from securities issued or guaranteed before 1 September 1939 by state or local self-governments. Also the bank deposits of German Reich marks, in Polish zlotys, issued by the Issuance Bank in Krakow on the basis of a decree dated 5 February 1945.

A statement on the acceptance of a judicial nontrial method of investigating claims was allowed to remain in the draft, but other possible ways, administrative or mixed, will also be included in the record of divergences. The ultimate choice will be made by the Council of Ministers.

The beyond-the-Bug property was also eliminated from the draft law, except that the record of divergences will contain a proposal from the Ministry of Construction on giving consideration in the law to the claims of the beyond-the-Bug people.

The meeting facilitated the "polishing" of the draft law. All that the ministry needs to do now is to assemble all of the proposals in the record of divergences and probably on Tuesday the set of documents will reach the Council of Ministers. The legislative council in the Council of Ministers expressed its opinion (favorable, with comments) already on Thursday. The question remains—when will the Council of Ministers find the time to consider this draft law?

At the same time, the deputies from the Privatization Commission are making attempts to have the two deputy draft laws on privatization undergo their first reading at a general meeting at the beginning of July.

Method for Turnover Tax Calculation Explained
92EP0472A Warsaw PRAWO I INTERESY in Polish
No 4, May 92 p VIII

[Article by Krystyna Milewska: "On the Turnover of the Turnover Tax: When $5 + 1 + 1$ Does Not Equal 7"]

[Text] *There are two kinds of tax that the public loathes like the plague but which are beloved by the custodians of the state budget as the most certain source of income: One is the turnover tax and the other is the income tax. The latter is the personal income tax; even a person with the smallest income however meagrely accumulated, must pay tax, and since even the lowest income is taxed 20 percent, the budget receives a tribute.*

The turnover tax is, as its name indicates, a tax paid on the turnover represented by a sale-purchase transaction. Such transactions are performed by citizens personally or on behalf of companies, even when they are unaware of it. Any such transaction is taxed, and without directly specifying how much, at that. To live one has to buy things, and hence taxes on all the transactions concluded are a certain and stable source of budgetary receipts. It is thus nothing surprising that at present, too, the government is availing itself of this well-known and reliable means of patching up the hole in the budget.

As recently as a few years ago, we had some 400 different turnover tax rates, established for different categories of merchandise and, what is more, separately for the state and private sectors. The ordering, that is, unification of these taxes has already taken two years and is necessary if we are to introduce the value-added tax (VAT).

How is the Turnover Tax Reckoned?

The basis for this taxation is the turnover, that is, the income from the sale of goods or services. Let us assume that a producer makes a product whose production cost is 80,000 zlotys [Z]. The producer is satisfied with a profit of 20,000 and could sell that product at Z100,000 apiece. A 20-percent tax is levied on that product. Does this mean that the producer will raise his price by 20 percent, that is, to Z120,000? Not at all, for what would have happened had he done so? Well, he would sell his product for Z120,000, but he would then have to pay a 20-percent tax on the sales price, because that is how the turnover tax is reckoned. This tax is not a surcharge on the producer's price but a 20-percent share of the producer's price. Should he add 20 percent, that is, Z20,000 to his price, he would even so have to pay a tax of Z24,000, meaning that his profit would be Z4,000 less. Thus, if a producer desires to preserve his profit and at the same time to take into consideration the turnover tax rate, he uses the following formula to determine the price that allows for the turnover tax:

Sales price = production cost + profit / $100 - \text{turnover tax rate} \times 100$

Let us apply this formula to the above example:

$$\text{Sales price} = (80 + 20) / (100 - 20) \times 100 = 125$$

Therefore, the producer would have to raise his price by not Z20,000 but Z25,000, given a 20-percent tax rate, if he is to assume that his profit will remain the same and production cost cannot be reduced.

What Happened on 4 May?

As of 4 May a 5-percent turnover tax was levied on many products which previously had been exempt from this tax, e.g., toys and processed foods. In addition, a 1-percent tax on both wholesale and retail trade was introduced.

Consider the next example.

A baker supplied a store with rolls at Z500 apiece. The store then resold them at Z650 a piece in order to have a profit margin of 30 percent. Let us bear in mind that the profit margin, or gross profit, includes not only net profit but also the store's operating expenses, which include everything from salaries to the interest paid on loans to acquire merchandise, etc., etc. Now there is a 5-percent turnover tax on sales of bakery rolls, plus a 1-percent tax on the store's operations. But when reckoning the turnover tax, $5 + 1$ does not at all equal 6. Let us try and figure out the real cost of the tax:

The producer calculates his tax according to the above formula, because he does not want to pay extra from his profits:

$$\text{Price of the roll} = (Z500 (\text{cost plus profit}) / 100 - 5) \times 100 = Z526.3$$

Most likely the producer will round it off to Z530. Then the store will have to pay Z530 per roll. But the store, too, does not want to derive a smaller profit margin, in this case less than Z150, and at the same time it must pay a 1-percent tax on the sales price per roll. Therefore, it applies the following formula:

$$\text{Sales price of roll at store} = (530 + 150) / (100 - 1) \times 100 = Z686.8.$$

Most surely, the store too will round off upward its price to at least Z690 and probably Z700. Thus, even in the absence of a wholesaler-middleman, the price of the roll will increase not by $(5 + 1)$ percent but by more than 7.6 percent. All this is happening within a very short chain from the producer to the customer.

Most likely, the producer will raise that price by more than would ensue from an exact formula, because, as the scholarly argument goes, on occasion he anticipates future increases in production cost. After all, the price of gasoline, too, is rising because of the turnover tax, so why should not producers and vendors allow for that rise in their new prices, and furthermore there have been those recent increases in electricity rates, not to mention the upward creeping rents. The flour used to bake the roll also was slapped with a 5-percent turnover tax; to be sure, the producer of the roll, that is, the baker can

deduct it from the tax he himself pays, but he does so only when he derives an income from his products, whereas he has to buy the flour in advance. Thus, for a period of time the producer's "frozen" financial investment in the purchase of flour is even greater owing to the need to pay that 5-percent turnover tax on the purchase of flour. It is thus not surprising that 5 and 1 percent for the consumer in some cases equals nearly 10 percent. And this does not mean at all a windfall profit for the producer and the merchant. At most they may thus preserve their income so far.

What Is the Conclusion?

At the end of the chain is the eater of the roll. Let us assume that until now he has been buying about 30 rolls monthly at the overall cost of Z19,500. If he wants to continue eating the rolls, henceforth he will have to spend Z21,000. If this whole business is limited to rolls alone, the consumer's budget would hardly suffer. But a similar price-increase mechanism will affect sugar, sausages, and many other foods. A consumer will suddenly notice that, while before May he used to spend, e.g., Z3 million on food for a four-member family, since May this will cost Z300,000 more. If the family includes children, the expenses on nonfood products, which travel along a longer chain, because they must pass through wholesalers, will also be affected.

Yet personal income may either not increase or increase at a lower rate than the cost of living. Thus, the consumer has to limit his consumption. He may cease to eat rolls and replace them with rye bread. Or he may maintain his regular diet but cut down on other expense, e.g., on buying newspapers. If he has been laying aside some money each month for a big purchase, he may have to start saving less. At any rate, he will have to cut down on something: either on consumption or on saving, or on both.

The application of the turnover tax is bound to curtail consumption—unless it is accompanied by a growth in demand owing to an increase in incomes. And since it curtails consumption, the sales volume of producers and merchants is also bound to shrink. There will undoubtedly be some diminution in incomes and sales. Minister of Finance Olechowski, being an expert, of course is familiar with all the related calculations and advises consumers to somehow endure the situation. Consumers should rebel and stop buying. Then perhaps the producer and merchant will assume the obligation of paying at least some of these taxes. But consumers cannot always cut down on consumption, and neither can they always cut down on saving—some consumers have no savings at all and their diet is inadequate. Nor is the producer or merchant always able to curtail his income. Not that he always "eats it up," because his income is also spent on investments, on operating the business, on productive assets, etc., etc.

The operation of applying the turnover tax will reduce, in the final analysis, the incomes of all—producers,

retailers, and consumers. It may also curtail both production and consumption, as well as savings. Undoubtedly, the budget will profit from this operation. Underlying this decision is the budgetary deficit and the view that there is excessive consumption in Poland. Surely we have heard a lot about the growth of consumption, and not just that of foodstuffs but also of durable goods. But there remains one question open: Is consumption rising equally in all the categories? Is it really true that most people have been consuming increasingly more in recent years? Are personal incomes—small as they may be—rising equally? It is difficult to answer these questions unequivocally.

The 4 May operation will reduce the incomes of everybody, because it levies the turnover tax on everybody who eats. It cannot be definitely stated, moreover, that this tax contribution made by everybody will be later really allocated by the state budget among the contributors, or even among the poorest. This is rather unlikely. And thus we pass on from bakery rolls to social problems and thence there is only a short step to big politics. And since the sole ambition of this reporter is to present the operating mechanism of the turnover tax and, please God, she does not intend to discuss big politics, there-with the article ends.

Terms for Government Bond Sales Announced

92EP0491A Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 12 May 92 p 1

[Article by Pawel Jablonski: "You Too Can Become a Creditor"]

[Text] In three weeks—1 June—sales of one-year government bonds will begin. Two months later—3 August—three-year bonds will go on sale. The rules for buying the bonds were announced Monday at a press conference in the Ministry of Finance. The acting minister himself, Andrzej Olechowski, encouraged people to buy them, emphasizing that they involve no risk.

Bond issues are generally used throughout the world as a means of financing the budget. This instrument has been used relatively rarely in Poland since the war. The present financial situation has made it necessary to return to it. The budget for this year envisages an income of 10,000 billion zlotys [Z] from the bond issues. After the issuance of the so-called exchangeable bonds ended last year, the only ways of financing the budget deficit were through treasury certificates and bank credits. But these were short-term instruments, and their basic fault was that the creditors were almost exclusively banks. The bond issue should expand the circle of creditors to the population. Thanks to the longer expiration date of the new bonds, the day that the debt will have to be paid off will be postponed until the budget is in better shape.

The one-year bonds will be issued in four series every three months beginning 1 June (1 September, 1 December, and 1 March 1993). The first two series will

total Z3,000 billion, and the following two Z1,000 billion. The three-year bonds will also be issued every three months (3 August, 2 November, 1 February 1993, and 4 May 1993). The first two series will total Z2,000 billion, and the next two Z1,500 billion. If the total amount of any series cannot be sold, the unsold portion will be automatically transferred to the next series.

The bonds will be sold by a two-track method. The issuing agent (Polish Savings Bank (Joint Stock Company) is in charge of sales to retail buyers (up to Z100 million). It has organized a consortium made up of 10 banks. The bonds will be sold in approximately 230 centers belonging to these banks. Bond sales will be conducted by a dematerialized system, on the same principles as stocks. The nominal value of a bond will be Z1 million. By special request and an additional fee it will also be possible to buy a bearer (in name) document. But it will not be possible to sell these bonds through a stock exchange.

Large investors buying bonds for at least Z10 billion, will be able to buy them at special auctions arranged by the National Bank of Poland.

For investors buying bonds, bank deposits will certainly be a competitive form of investing their savings.

If, from the standpoint of profit, banks deposits are better, then the argument in favor of bonds is the lack of risk connected with them plus the fact that they can be resold on a stock exchange. Small investors will be able to do this beginning in September. However, large investors will be able to sell through an exchange already in June. For those who will be buying and selling blocks

worth at least Z100 million, the exchange is arranging a so-called second floor. Quotations on this floor will be made five days a week.

This is how the president of the exchange described it at the press conference: First a price will be set, based on the offers submitted, and then for about two hours it will be possible to submit new offers or cancel old ones.

The interest on the bonds will correspond with the cumulative rate of annual inflation, to which five percentage points will be added. It will be paid when the bonds are redeemed. The interest on the three-year bonds will correspond to the profit rate on 13-week treasury certificates, increased by a 10-percent margin. It will be paid each quarter.

For comparison, the table below shows hypothetical indicators of the profitability of one-year and three-year bonds in the light of the higher profitability offered by commercial banks according to figures from the first quarter.

But under high inflation conditions (when inflation is higher than had been planned), the banks will also begin to increase their interest on deposits.

Foreigners will be able to buy three-year bonds. Asked why only these bonds, the director of the department of financial policy and analyses, Andrzej Kolatowski, said that this is because the method of calculating the interest on three-year bonds does not make it certain that the profit will always be higher than the rate of inflation, as is the case with one-year bonds. On the other hand, it was said at the conference that foreign investors are already inquiring about Polish bonds.

Item	Rate of Interest per Annum
1. Rate of interest on one-year bond accumulated during first quarter (interest paid after a year at redemption)	60.2 percent
2. Maximum rate of interest on annual deposits in banks (computed with capitalization of interest)	63.0 percent
3. Interest rate on three-year bond (interest paid quarterly)	51.1 percent
4. Maximum rate of interest on deposits blocked for over a year (paid quarterly)	65.0 percent

Changes in Voivodship Budgets Proposed

92EP0491B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 12 May 92 p 1

[Article by Katarzyna Jedrzejewska: "Voivodes Were Counting on Getting More"]

[Text] "In my opinion, the minister did not give us the credit that was due for what we did," said Ryszard Zembaczynski, Opole voivode, at the conclusion of the meeting with Deputy Minister of Finance Wojciech Misiag. On that day (11 May), the voivodes wanted most of all to hear whether they will get more money for materials expenditures. They have already reduced employment and travel as much as possible, and some of them have even terminated newspaper subscriptions and telephone service.

"This is not a forum at which to fight about money," said Minister Misiag. "The voivodes should not have expected to negotiate with me today about a budget. The government has already done what it could—it presented a balanced budget plan."

The minister explained that the irregularity with which voivodes are being transferred funds out of the state budget is due to the irregularity with which receipts come in. Only customs duties and sales taxes come in on a regular basis. The rest, almost 60 percent of the receipts (income tax, dividend, and tax on above-norm wages) comes in between the 20th and 28th of the month.

The minister announced the changes proposed by the ministry.

Of the systems changes, three are most important:

1. A change in the rules for making transfers between departments. The regulation which requires that the voivode wanting to make transfers between departments must obtain the permission of both ministers (the one from whom the funds are being taken and the one to whom they are being given), would be repealed. According to the new plan, the opinion of both ministers would suffice. The voivodes would not get full autonomy—the minister of finance will make direct transfers at the voivode's request. Minister Misiąg justified this by saying: The place from which transfers would be made and where they would be registered should be the same. The Ministry of Finance [MF] is against transfers in only one situation: When it will be clearly apparent that transfers during the course of a year will make it necessary to increase subsidies from the state budget at the end of the year (e.g., the voivode proposes, during the course of the year, that funds for administration be reduced in favor of another department, and at the end of the year it turns out that additional funds must be allocated for administration, otherwise it will cease to function).

2. Suspension of compensation payments being made to trade unions by virtue of loss of their property during the period of martial law.

3. The MF proposes that 10 percent of the income derived from sales of property left after the withdrawal of Soviet troops be designated for work connected with appraising and selling these facilities.

In the set of laws accompanying the budget plan, MF also proposed that the budget law be amended, including:

- Creating voivodship commissions to adjudicate cases dealing with violations of budgetary discipline.
- Authorizing the Council of Ministers to establish procedures by which orders will be submitted and purchases of goods and services made for budgetary organizations.
- Making it possible to block budgetary funds. In a case of uneconomical management—for a specified period or even until the end of the year, a ban would be imposed on the making of budgetary expenditures in a specific department. This blockade may be in connection with the withdrawal of questioned funds to budgetary reserves.
- Putting guarantees and pledges in order.

Initially, MF proposed to remove investments which are under the supervision of the voivodes, from the category of central investments. During the course of the work in the Sejm commission, an amendment was introduced: to place, on the list of central investments, also those investments of the voivodes which retain the right to guaranteed bank credit.

At this moment, coordination is underway with the National Bank of Poland to ensure a realistic inflow of credits to these investments.

Talks are also being conducted with the Polish Savings Bank (PKO)—interest rates and credit instalment payments for infrastructural investments are being negotiated. This involves credits which are not guaranteed either by the government or by the voivodes, i.e., the gminas' own obligations. The MF has committed itself to attempt, during its talks with PKO, to have PKO not enforce repayment of these credits this year, and if the debtor would begin to pay the interest this year, PKO not regard these credits as being overdue.

Goals for Industrial Policy Development Noted

92EP0473A Warsaw GAZETA PRZEMYSŁOWA I HANDLOWA in Polish No 21, 24-31 May 92 pp 1, 3

[Interview with Edward Nowak, deputy minister of Industry and Trade, by Henryk Nakielski; place and date not given: "On Industrial Policy, Interventionism, and Ending Up Nowhere"]

[Text] [Nakielski] Mr. Minister, the industry has found itself in a deep lull, and one would think that only a radical change of the economic policy could bring it up. However, that policy is more a continuation than a breakthrough. Do you believe that in this way one can lead the industry into anything else than a disaster?

[Nowak] If I did not believe in that, I would not be sitting in this office. It is true that the industry's situation is very difficult and this is largely a result of mistakes which we have made in the management of the new economic policy. But the fundamental reason is the condition the industry was in when we inherited it, as well as the collapse of the whole economic system to which the industry was connected for years. Our fault is that in the process of reform we put too heavy a jacket on the industry and exaggerated by tightening the macroeconomic screws too much. We were tightening them in order to bring about a particular effect. Unfortunately, some of our theoretical assumptions simply did not prove themselves in practice. High-interest credit, which theoretically was supposed to limit the number of credit takers, turned out to be a heavy burden for everybody because circumstances forced everybody to take credit. Similarly, a dividend which on paper was supposed to force a rational utilization of assets, in practice rewarded the accumulation of superfluous assets.

[Nakielski] But the shape of the state budget does not allow for a loosening of those screws now. For example, the Ministry of Industry and Trade drafted a program, according to which the enterprises' debts would be slashed down while delays in their payments would be liquidated, but the Ministry of Finance brushed it off with a curt "No."

[Nowak] It had a right to do that because it is responsible for the state's finances. I would still argue that our draft was better than the Ministry of Finance's proposal, and I would still defend it, knowing, however, that the arguments of the Ministry of Industry and Trade cannot

be binding for the government. The Council of Ministers works decisions out, balancing the arguments of various sides. While it would be wrong to follow the logic of the Ministry of Finance while drafting a given proposal, it would be equally wrong if we demanded a monopoly for our arguments.

[Nakielski] The Ministry of Finance has had a monopoly in economic matters for two years.

[Nowak] To a large extent, let's say. It resulted from the change in the economic philosophy. The goal of the economy in the Polish People's Republic was production and satisfaction of societal demands, as a result of which those demands were never satisfied. The reform meant a return to the philosophy of the market economy. The money has had its position restored. Profit and money became the goals of the economic activity....

[Nakielski] As a result of which no one has it now. Enterprises, which are being squeezed out of every zloty, do not really know how to play the game in these circumstances. Hence, there are more and more voices in favor of a so-called industrial policy, usually understood as a success recipe: if managers do not know how to make it, let the "state" tell them what to do. As far as I know, the ministry has prepared guidelines for industrial policy. Do they contain elements of such a recipe?

[Nowak] Obviously, it is a misconception to understand industrial policy as a set of detailed directives for managers. This misunderstanding has its source in the past, when the Ministry of Finance in a way played the role of the industry's general headquarters, having directed the work of the middle level management. In fact, industrial policy is a set of actions, the goal of which is a conscious allocation of investments, that is, of capital. It is not something given once and forever. It has to be flexible, able to respond to a changing environment, and coordinated with the market transformation. It has to be differentiated and take into account peculiarities of the various branches of industry. Finally, what is most often misunderstood, it cannot be created by the government or by the top bureaucrats, no matter how competent. Industrial policy has to be a sum of the will and vision of the central authorities, the middle level organizations, such as chambers of commerce and other economic associations, as well as consumer organizations, and the managers as the executive agents. That is why I have invited managers of the 40 best, or at least good, enterprises, as well as representatives of the chambers of commerce to participate in the drafting of the industrial policy guidelines, apart from the ministerial team. In addition, I intend to invite representatives of the industrial research and development sector. This group, divided into working teams, convenes once a month to work out concrete topics. By the end of June

we want to finish that work and prepare the foundations of industrial policy and drafts of the accompanying legal acts.

[Nakielski] Mr. Minister, I only wonder whether this government and this Sejm will manage to adopt them. Otherwise we may need to begin that work anew. How much continuation is there in the ministry?

[Nowak] We are not building on scorched earth, although one who watches the frequent changes in the government, and especially in our ministries, could have this impression. Each team leaves some accomplishments behind, which in turn makes it easier for the next team. For example, it was a great help for us that our predecessors began the sector studies. Although they did it with privatization in mind and we need it for other purposes, it is important that we have those analyses.

We have thorough studies of the coal mining sector, the steel industry, the ship building, the car industry, as well as full pictures of the linen and cotton industry. Having this foundation, one can set to work, make decisions and change things....

[Nakielski] How much can you change without money?

[Nowak] Not much, but some change is possible. And that data helps us to define what can be done. The money does not necessarily have to come out of the budget. Some of the tasks can be accomplished if they are financed by credit. We think that some of the revenue obtained from privatization should be directed to the industry restructuring fund. Such a connection would be only logical—after all, restructuring increases the value of an enterprise and thus its price at the moment of privatization.

[Nakielski] I you do not mind, I will ask you again about industrial policy—how a government, which does not have money, plans to implement it?

[Nowak] Let's define the goals of industrial policy first. We have defined twelve of them. Although they may seem banal, in reality banal they are not. Each of them is related to practical activity in the field of industry. These goals include, among other things, stopping recession, creating stable conditions to increase competitiveness and efficiency, expanding exports, securing the state's economic situation, developing the economy, attracting foreign capital, supporting Polish research and development, etc. In order to accomplish these goals, we need a number of devices to influence enterprises. The first set of them includes traditional economic-financial means, such as taxes, legal fees, tariffs, interest, etc. The second set consists of legal instruments, contained in the legislation. When we create bills regulating standards, licenses, certifications, etc., we create a law which ought to support the goals of the state's industrial policy. Another instrument, underestimated and virtually

unused, is reporting, which contains a large amount of inferences regarding the current and future economic activity. One has only to know how to extract them. Information can be still another instrument to influence enterprises. The companies have to know the goals of the state's industrial policy so as to avoid actions which would contradict it.

For example, now, when we are straightening up the car industry and negotiating with the major foreign companies about their joint production with FSO [Automobile Plant], FSM [Compact Car Plant], etc., it makes no sense to have some local plant taking an initiative to begin assembling cars of yet another foreign company. That initiative may be justified and even valuable from the local point of view but the government will not support it. In contrast, it will oppose it with all means at its disposal. The mere assembling of the car made entirely abroad amounts to a cheap sell-out of a significant part of the domestic market, to the detriment of those companies which wanted to invest significant capital in the Polish auto plants. There exist—as I call them—mediation-negotiation-treaty instruments. Simply stated, in negotiations with the foreign partners, e.g., regarding the association with the EC, we have to insist upon provisions which would be conducive to the fulfillment of the main goals of our industrial policy. If, for example, we negotiate with GM, Volkswagen, or IVECO (to stay with automobiles) on their marriage to the Polish enterprises, then one of the conditions which we try to negotiate is a 50-percent nationalization of production within three or four years [as published]. After all, our goal is not only having a modern automobile and profit for the budget, but also employment for the people.

[Nakielski] What do you think about the policy to date of "opening up to the world"?

[Nowak] I think that we have exaggerated a little. Poland was not prepared for such a broad liberalization. We have treated the notion of free trade too literally. Despite appearances, neither world trade is so free nor the liberal economic policy is so liberal. Why, during the negotiations with the EC, we had the worst problems with setting limits for the steel and textile industry products? Because it happens that we have a chance to sell these products on the EC market. We do not have to shy away from the concept of state interventionism because it does exist in world practice. The trick is that its instruments are varied and sometimes very sophisticated, so as not to undermine the international agreements. Of course, state

interventionism cannot serve the interests of manufacturers or protect some archaic production. Instead, it should give a chance to those who have the will and real ability to develop.

[Nakielski] The state interventionism does not pertain only to foreign trade. It also plays an active role in solving the current economic problems and rendering a direct help to businesses. I know that the Ministry of Industry and Trade has been quite restrained in its contacts with manufacturers during some periods. How is it now?

[Nowak] The state interventionism is a very broad notion and I would not like to expand it even more. As far as our contacts with the enterprises and companies are concerned, they are very lively indeed, which one can confirm by observing the business in this office. We solve many problems through the Industrial Development Agency. We look for new methods of solving problems arising at this juncture, such as filling out the blank spots which appear on the industrial map of Poland. For example, there is a town Nowa Ruda, which used to live off one single mine, recently slanted for liquidation. How does one save that town? The Sendzimir Steelworks is undergoing restructuring. Clearly, it has to get rid of a significant part of its assets, production shops, and infrastructure. What can one do with this unwelcome gift? Hence, we try to adopt to our conditions the idea of so-called industrial parks, known in the West. It is a modern industrial structure, managed, but only managed by one company. The mosaic of various manufacturing and trade companies are established in a given location, using the same infrastructure—customs depots, roads, warehouses, etc.

The managing company attempts to attract investors to that location, conducts promotional campaigns, and does everything to ease up the lives of those who want to invest there and make a profit. The advantage for investors is obvious: they enter a location which had already been invested into by others, the costs of infrastructure are lower, the managing company takes care of the large number of problems. In my opinion, the establishment of such structures and the inspiration of this type of activity are examples of the correctly understood state interventionism. The state should create conditions but it should not be involved into direct management. If a bureaucrat begins to guide a manager by hand, then both end up in the middle of nowhere.

[Nakielski] Thank you for the interview.

Drug Trafficking Upswing Due to Yugoslav Embargo

AU0707211292 Bucharest ROMPRES in English
1255 GMT 7 Jul 92

[Text] Bucharest, ROMPRES, 7/7/1992—Gheorghe Matei, chief of the Giurgiu Customs Station (at the frontier with Bulgaria), Lieutenant-Colonel Viorel Rusu, chief of the Frontier Police, and his deputy, Colonel Gheorghe Negoescu, present in daily ADEVARUL a few of the infractions of the law committed at that passage point: use of fake documents, arms and ammunition smuggling, drug and various toxic substance trafficking. All this, they opine, make of Romania the European-oriental turntable of the underworld, as a result of the blockade imposed on Yugoslavia. From Captain Nicolae Dobrin, chief of the Narcotics, Arms and Explosives Department, the newspaper learned that last June persons trying to smuggle drugs and weapons into the country were daily discovered, most difficult to handle are the Iranians. On June 6, two Iranians tried to enter Romania with 600 gram of opium, three bags with 1.5 kg opium poppy seeds and 600 gram hashish. The same day, a Turkish hunter forced the customs station with a whole arsenal: a Beretta hunting gun, a Remington one, and over 3,000 cartridges of various sizes. On June 10, another Iranian tried to smuggle a bag of opium poppy seeds. Soon after that, a Turk was found with a browning of nine and 13 cartridges. Other five narcotic dealers were caught over June 16-30.

CD Candidate Calls for 'Radical Change'

AU0307112192 Bucharest ROMANIA LIBERA
in Romanian 30 Jun 92 p 3

[Roxana Iordache article: "A President To Reinstate Parliamentary Democracy"]

[Text] A news conference was held yesterday [29 June] by Professor Emil Constantinescu, candidate of the Democratic Convention [CD] for the position of president of Romania. After being introduced by Mr. Corneliu Coposu, CD president, Emil Constantinescu made the following statement to the numerous reporters present:

"I am here in front of you to mark the beginning of a road that I will have to follow at the behest of those who want Romanian society to undergo radical change. Whether such change is possible and whether it will really take place depends on the way and the extent to which we will be able to persuade our people about the need for this change. From the very beginning, I have to tell you that the material means we have to make our ideas known, and thus to enable them to persuade, are extremely limited. However, what we have on our side is exasperation with lies and suspicion; pain because of disunity; and revolt against corruption. We have on our side the fact that we are tired of intolerance and hatred. We have on our side the need for stability and clearness not only in the case of the Romanian people, but also as

far as international public opinion is concerned, which wants to see Romania as part of Europe. All of us know that the months to come will be decisive not only for the coming years, but also for the coming decades of our history. No matter how difficult it will be for us—and it will be very difficult—the result we will achieve depends on us, on our capability to be convincing in our studies of problems, in seeking solutions, and in our courage and strength to tell the whole truth. However, our success will also depend on you, on the press, on the fourth power of any democracy, the only one which, in my opinion, is functioning—for the time being—satisfactorily in Romania. As far as I am concerned, I do not intend to elaborate on the press taking sides."

We will now continue with some of Professor Emil Constantinescu's brief and concise answers, which are always to the point.

"I am immune to pressure. I will conduct a constructive election campaign. No one declares his intentions by means of negations, but rather by asserting his own personality. What matters is individual responsibility. I was moved by the solidarity of the CD candidates for the presidential position. I call for supporting the students' protest demonstration in front of the Russian Embassy. If I am elected, I will act to diminish presidential prerogatives and ensure the transition to a parliamentary constitutional system.

"I was told that the Democratic National Salvation Front thought that I was the weakest countercandidate on behalf of the CD to Mr. Ion Iliescu. I have always liked to participate in contests and compete against the best candidates. The fact that you desire a weak countercandidate means that you do not trust your strength."

Politicians Consider Possible Manipulation of CD

AU0307170292 Bucharest ROMPRES in English
1534 GMT 3 Jul 92

[Text] Bucharest, ROMPRES, 3/7/1992—The convention was manipulated so as to leave free way to Mr. Iliescu because Mr. Emil Constantinescu poses no danger to him, stated Ion Ratiu in an interview with the latest issue (84) of the Bucharest weekly TINERAMA.

Speaking about the recent meeting of the Democratic Convention's [CD] electors board that on June 27, at the last ballot, preferred the rector of the Bucharest's University, Emil Constantinescu, as their single candidate for the presidency, to Ion Ratiu, one of the seven vice-presidents of the Christian and Democratic National Peasant Party, he avoids to specify who could be the authors of such a manipulation: just like anyone else I have heard pressures were made upon some recently admitted to the Convention, he said, adding that the president of the Civic Alliance, poetess Ana Blandiana, and well-known dissident Doina Cornea, one of the movement's founders, "made great efforts to convince everybody that Mr. Constantinescu is the ideal candidate."

Another candidate for the presidency, president of the Social Democratic Party Sergiu Cunesco, sets forth a different opinion in the same weekly: there is no question of manipulation, but there is a matter of position the respective political grouping recommended.

Stelian Tanase, vice-president of the Civic Alliance Party the leader of which, Nicolae Manolescu, was eliminated from the competition in the third polling round, opines that subgroups form in any group at a given time, some of them being allied against the others. A writer and gazette editor, Stelian Tanase expresses his only regret: "Manolescu could have defeated Iliescu."

The president of the Democratic Union of Hungarians in Romania, Domokos Geza, who attended the meeting as elector, assesses in the latest issue (26) of the weekly 22 edited by the group for social dialogue that: a decisive role in the Convention's options was played by the answers the competitors gave. Expressing his regret that, when Mr. Manolescu was heard, a certain state of nerves occurred, he thinks that could change nothing because the result was correct as everything proceeded democratically.

In the same publication, the former minister of education, Mihai Sora, a founding member of the Group for Social Dialogue and of the Civic Alliance, who pleaded for backing Nicolae Manolescu, stated: so does it happen when side-scenes come to the forefront and become even more important than the scene proper.

The winner of the competition, Emil Constantinescu, admits that most of the electors embodied their associations and parties but he thinks rather hazardous to assert that they were manipulated because in the last round the score was much in his favor (47 out of 67 votes, e.n.).

Appeal, Support for Manolescu for President

92BA1102A Bucharest "22" in Romanian
12-18 Jun 92 p 6

[Article by Dan Papuc, president of the Timis Chapter of the Civic Alliance: "Appeal to the Leaders of Political Parties and Political Organizations at the Democratic Convention"]

[Text] On 8 June 1992, at the Olimpia Hall in Timisoara, the Timisoara public met the PAC [Civic Alliance Party] President Nicolae Manolescu in the presence of special guest Dorin Tudoran, well-known anticommunist dissident, poet, and journalist; of press representatives (Gabriela Adamesteanu, Cornel Nistorescu, and Dan Pavel); of members of the PAC Directing Committee (Stelian Tanase, Dan Grigore, Dan Capatina, Ioan Paun Otiman, Virgil Feier, Nicolae Taranu, and Vasile Popovici); and of Dan Papuc, president of the Timisoara Chapter of the Civic Alliance. Also attending was political scientist Vladimir Tismaneanu. In the next issue of the magazine we will report on the discussions generated by questions from the audience. At the meeting, Dan Papuc read an

appeal, to which the Democratic Convention [CD] electorate in the audience demonstrated its allegiance.

Appeal to the Leaders of Political Parties and Political Organizations at the Democratic Convention

We draw the attention of those who are conducting the CD to the following political aspects of the upcoming elections—disturbing aspects that are of deep concern to the great assembly of CD sympathizers.

The CD leadership is of the opinion that in Romania (just as in France!), the legislative elections are more important than the presidential elections. Can anyone justify this position with Romania's current Constitution in hand? Our opinion is that matters are exactly the opposite, and the country's current political life fully confirms this opinion.

The CD leadership starts with the discouraging—but not openly acknowledged—idea that we will lose the presidential elections. We affirm the contrary. If we really want victory, we have very good chances of winning. Our evidence rests in the local elections and in the warm welcome extended to President Ion Iliescu at many locations in the country.

In order for the elections to be won, the CD leadership has the obligation to present a candidate. A serious political error has been committed. So far, in this 11th hour, for reasons that we do not know (party interests, weak motivation?) this CD candidate has not been chosen.

Let us remember the following circumstances: PAC has the merit of having proposed to the CD, in time, a possible candidate for the presidential elections. By this we mean the candidacy of Professor Nicolae Manolescu, president of the party, a person known to a broad range of the population through the nature of his profession. How did the other CD parties and organizations react? Almost not at all. Was it not extremely important that a decision be reached then, in time, that would have made it possible to solidly and deliberately present the CD candidate to the nation and abroad? But nothing was undertaken.

Even more seriously, in the months that passed, Nicolae Manolescu, as PAC president and CD member, systematically became involved in politics. He visited many of the country's localities (Arad, Cluj, Deva, Iasi, Suceava, Timisoara, and so on) and he vigorously supported CD candidacies in local elections. As politician, he became well-known in the country and well-known abroad.

At the present time, the CD appears to have four claimants to the candidacy for the future presidential elections, claimants proposed by some of the CD parties and organizations. One question: Why were these proposals not made in time? At least one of them, so as to definitely invalidate the mistaken presumption that has

arisen—not from Manolescu's fault—that he was the accepted CD candidate. Obviously a serious confusion.

Let us stress that all those recently nominated as possible CD candidates for future presidential elections have all the necessary qualities to be good presidents of Romania. But in order to choose, we must clearly answer two questions: Which one of them has the greatest chances of winning the presidential elections, and which one of them can withstand, as the head of the nation, the great social and economic upheavals that will certainly affect Romania?

In analyzing Ion Ratiu's candidacy with the enormous respect we have for him, we have to answer both questions in the negative. In a country devastated by 45 years of communism, a country in which the people have suffered as they have, a man who has lived on other shores will be strongly opposed despite all the concern he continuously and constantly displayed for this country. And even if Ratiu does win the elections (although the Cluj County results do not justify this assumption!), the country's economic situation, which cannot be changed overnight by anyone, will leave him particularly vulnerable: Any attempt on his part to become involved in the economy by bringing in foreign capital will be viewed with suspicion.

With respect to the candidacy of professor Emil Constantinescu, named by the Bucharest University Solidarity and supported by the PAC Directing Committee, it is our opinion that he cannot win the elections. Because he has always adopted a democratic, open, courageous political position, he has gained the deep respect of the university world, but... he is not at all known by the great mass of the population. I would hope that this handicap can be overcome in 3-4 months, because it is a dangerous illusion to oppose Ion Iliescu.

Analyzing the present situation and seeking to correctly answer the two questions, it is our opinion that of the two current CD candidates, Nicolae Manolescu has the greatest chances of beating Iliescu. Consequently, the Timis Chapter of the Civic Alliance supports the candidacy of Nicolae Manolescu before the CD leadership. Obviously, all of us in Timisoara will accept the decision of the CD Directing Committee and will support with all our forces the candidate named by this group. But just as obviously, we do not want our chances for success to be reduced by an unsuitable choice.

Given the serious situation in which we find ourselves, in order to stop the disorientation and eliminate the existing confusion, we make the following appeal to those who lead the CD:

1. Immediately establish the CD candidate for the presidential elections. You will thus give us the possibility, to the extent to which it is still possible, of presenting him as necessary to the voters.
2. We ask that this candidate be established by open, formal vote, disclosed to the nation in the press.

The responsibility of this vote is much too great to be covered by secret vote.

All of us in Timisoara hope that those who lead the CD will understand us and will do their duty by placing the interests of the country before any party interests.

Liberal Alliance May Become 'Important Force'

*AU0707211192 Bucharest ROMPRES in English
1138 GMT 7 Jul 92*

[Text] Bucharest, ROMPRES, 7/7/1992—In the editorial of "EVENIMENTUL ZILEI" daily's July 7 issue, reputed publicist Ion Cristoiu forecasts the apparition of a liberal alliance "which stands great chances to become an important force."

The author motivates his idea thus: "The statements of Emil Constantinescu (the opposition coalition's candidate for Romania's presidency), but especially those of Corneliu Coposu (president of the Christian Democratic National Peasant Party and leader of the Democratic Convention) evince a substantial mutation in the convention's heretofore position. The anti-communist radicalism is gradually giving way to an increasing tendency towards conciliation. The convention's virulence has diminished over several major matters: the trial of communism, the monarchy, the informers, the past of today's politicians. The nomination of Emil Constantinescu may be the sign of a slight movement towards the center. This movement, which certainly has its own motivations, creates a new political reality. In this context the National Liberal Party (PNL) appears in a favorable light. Its movement towards the center can no longer be considered as a betrayal of the convention's interests. Between the convention and the PNL there is no longer a distance separating radicalism from compromise. And the PNL, suddenly strengthened by the much-discussed decision of its former colleagues, can afford to gather around it a convention of all the liberal forces."

As it is known, there have been disputes within one of the dissident wings of the PNL (Radu Campeanu), the National Liberal Party-Young Wing, which led to the exclusion of some of its leaders, accused among other things of having had secret negotiations aiming to reunite the liberal movement.

Hungarian Minority Leader Views Position

*AU0607192092 Budapest MAGYAR NEMZET
in Hungarian 2 Jul 92 p 2*

[Interview with Geza Domokos, chairman of the Democratic Union of Hungarians in Romania, by Erzsebet Toth in Bucharest; date not given: "The Need for Understanding Is Missing on Both Sides"]

[Text] [Toth] It can often be heard in Romania that the democratization of Romanian public life can be expected to improve the situation of national minorities.

The Democratic Convention makes nationalistic statements on Bessarabia, and Marian Munteanu, the student leader of University Square, is organizing a rightwing party, as if the desire for "the greatest Romania" were greater than the desire to join Europe. To what extent is the Romanian democratic opposition a partner of the Democratic Union of Hungarians in Romania [UDMR]?

[Domokos] If someone who knows the Romanian reality, the nature of its political life, and follows its changes, compares the current situation to the situation, for example, in the spring of 1990 then he must notice the changes. Now, before the general elections, the Democratic Convention—of which the UDMR is also a member—is Romanian society's great hope. A few months ago, the National Liberal Party, one of the important parties and founding members of the convention, left the convention. It explained this step saying that it could no longer remain in a coalition with the UDMR, which does not condemn clearly enough certain statements from Hungary that disturb the Romanians and certain statements made by UDMR leaders abroad. This was a test for the convention. The parties of the convention may easily have given up the presence of the UDMR to preserve the unity of the Romanian opposition parties. However, they did not do so. Our statement saying that we were willing to leave the convention voluntarily if this was the only thing the unity of the Romanian opposition depended on, evoked a great response and much support. The other, almost 20 parties and organizations of the convention said that they could not envision the convention without the UDMR and insisted that we stay. This cannot simply be seen as a tactical step, nor can the fact that in the Romanian press they have clearly stood against everything the Cluj Mayor George Funar has been doing recently. They openly tell the truth about the chauvinism of Vatra Romaneasca and the biased, one-sided, and anti-Hungarian politics of the Romania Mare Party.

[Toth] The Romanian-Hungarian dialogue is still much rather a series of parallel monologues than a sensible dialogue. How could this be changed?

[Domokos] Unfortunately, both sides are disappointed and have a distorted view of the other. I do not want to make a judgment on either side and not even in a Solomonic way. In my view, the need and willingness for listening and understanding, which is necessary in delicate and complicated situations, is missing. It is easy to say that Romanian politics is nationalistic, does not want to realize what is going on in the world, and continues to live among its myths and obsessions. On the other hand, the Romanian politician says that it is hard to negotiate with the Hungarians because they do not give up their old glory and treat Romania in a condescending way. As for us, Hungarians in Romania, some Romanians consider us to be disloyal citizens, therefore, they have to be careful about what rights they give us. They say that our demands keep growing, first we want cultural autonomy, then the autonomy of the school

system including the university, then administrative autonomy, and then we will take Transylvania with us.

[Toth] What have the local Hungarian leaders done to make people understand that they are not representing a people who migrated to the territory of the Romanian state and are encroaching on the land?

[Domokos] My experience is that neither the Romanians nor the Western diplomats, journalists, or politicians can see the difference between the situation of foreigners and ethnic groups who migrated into Western countries in the past 10-15 years, and the past, the present, the mentality, and the demands of Hungarians in Romania and Transylvania. We have only seen it recently that, at international meetings and conferences on national minorities, they are trying to differentiate between these categories. Hungarians in Romania are indeed in danger. However, in my view, the constant assertion of the extreme danger contributes to the emergence of a psychosis where people feel that they do not have a future here and have to leave. In the past 15 years, the number of Hungarians in Romania has decreased by 100,000. Many moved across to Hungary or left for the West. Natural assimilation also worked. However, the biggest danger is not this but the fact that the number of births has been catastrophically reduced in the past two years. This also applies to Romania in general. However, it is also true for Catholic regions like Harghita [Harghita], Gyergyó [Gheorgheni], or Csik [Ciuc] where the number of births was bigger than the national average. The Catholic Church has taken note of this and the UDMR will also have to face it. The future of the Hungarians in Transylvania depends on this to a large extent.

Stolojan on Economic Problems, Solutions

92BA0934B Bucharest ADEVARUL in Romanian
12 May 92 pp 1-2

[Interview with Prime Minister Theodor Stolojan by Viorel Salagean and Corneliu Carlan; place and date not given: "First Stop the Decline, Then Begin the Recovery"]

[Text] [ADEVARUL] What are the weak points of the reform program presented to Parliament and which is already being implemented?

[Stolojan] What I want to explain to you is that the program has two sensitive points. In the normal course of events, by now we should have finally broken with the prices and the exchange rate, thus effectively restoring the balance. For meat, considering the distribution monopoly in the major cities, it is difficult. Public transportation in Bucharest will continue to be subsidized. The reverse of that is to have a smaller impact, but have the reform stretch over a longer period of time. Concerning foreign currency: Bulgaria is using the same procedure we are, while the other countries have the exporter sell foreign currency, which is bought on the stock market. In our country, everyone claimed that the system we adopted was far more stimulating. If the

system does not work, meaning that the exporters delay selling the foreign currency, the risk is greater. Should this situation last for more than two-three months, of course we will have to make the necessary corrections, but even those corrections must not close the market.

[ADEVARUL] We hope that our discussion will be as free as possible from your viewpoint, but also as cutting as possible, in the style that you have in fact been promoting. Will it get better for the people, and as of about when?

[Stolojan] The hope is undoubtedly that it will get better. In fact, I think that it is already better for some of the people. And not just for the thieves, but indeed there are people who have either started their own business, or are employed by economic firms that have orders and have an already outlined future. Generally, the past two years have also brought improvements that did not exist in the former system and that are reflected in a better quality of life for the public. Even though regarding salaries and purchase power we are not yet where we want to be, we do have more days of rest and holidays, advantages that cannot be denied. When exactly it might get better? In my opinion, if this year we manage to halt the decline of the production, in the coming years we will certainly have economic growth. How big this growth may be is difficult to tell now; but even if it is small, the important thing is that the growth will be of a different nature than in the past, being generated by a system that is developing in the conditions of a market economy. Consequently, in the normal course of events it must also halt the decline in the living standard, on the basis of economic stability. That could be the beginning of "getting better."

[ADEVARUL] Can it now be said that in Romania there is a general-objective relationship between labor and earnings?

[Stolojan] No. The relationship is making its way, but very laboriously. The developments were as follows: In 1990, in some places salaries were paid for close to several months without any work being done and without any production; also, the former system of work norms, characteristic of a certain economic system, was destroyed. In 1991, as you know, some order began to be made in this relationship, but salaries continued to rise along their own curve, not related to results; because salaries do not grow only in keeping with the production, but also in keeping with price developments. In 1992 we endeavored to reduce as much as possible this gap between what is a normal relation between salaries, labor, and results. We do not claim to have arrived at the point at which we should be, but anyway, we have pretty well reduced this gap, and this effort must continue. You see, the system of wage negotiations at national level and at the level of sectors and enterprises is now operating in an economy that is not yet founded in experience, and deviation from established rules can continue to appear in this practice of negotiations. Gradually, however, the situation will be perfected.

This process will continue, not only this year, but next year, too. Note, for example, the phenomenon occurring in Germany: The country's unification carried a certain price, the price has to be paid, and of course, the people are reacting. The unification was a national objective. Some demand 10 percent and others offer 4-5 percent. In the end there will be a compromise about the wage increase, because life cannot be blocked and a society will not self-destruct, but you see how difficult it is for this relation to find its groove. In our country the scope is different, because the economy is not yet settled, there are price breakdowns, so it is very difficult to secure an optimal relation. It is, however, evident that 1992 is marking a step forward, as well as an effort to settle this labor-wages-production relation. But we must also pursue the idea of the cost of one hour of work for the business associations, because as a rule this cost rises far more quickly than the cash revenues of the public, as a result of a system of social rights centered on the costs of the economic associations.

[ADEVARUL] This kind of system is practiced in the West, where each employee is paid by the hour. Do you intend to promote such a system, to exactly calculate the cost of one hour of work and payment per hour, something that could greatly relieve the social pressure for all kinds of demands? We have received at the newspaper many protest phone calls from readers after the communique announcing that 1 May will be a nonworking day.

[Stolojan] The wage fund at firms with state capital will have to remain under control for a far longer period of time, i.e., for as long as the privatization has not been attained 50-60-70 percent. But this control must be improved. At present the means for raising the productivity are relatively limited; there are few investments and few actions of technological replacement. At present the control is localized on the wage fund. In consequence, the trade unions in business associations are sitting down to negotiate with the company managers exactly the size of the labor force needed in relation to existing orders and the probable future. Whatever study were done would find that as a rule, our business companies have too large a work force. This situation must be cleaned up because it is expensive, it prevents the enterprise from developing a normal life, and it maintains a deformed labor-wage-results relationship. The time will come when this stage will be overcome and then the type of wage control in business associations with state capital will also be adjusted to the new conditions. In other countries this control has been shifted from the wage fund to the average wage in the enterprise; that system adjusts the wages to the existing orders, not to the number of employees. We have examined many systems that were recently practiced in Hungary, Poland, Czechoslovakia, and Bulgaria; some people are working with all kinds of equations with four factors each, but what is important for us is to halt the inflationary pressure stemming from wage costs. That is one element. The second is the tendency to move the prices at the smallest opportunity. In our country the

enterprises are continually gathering tensions stemming from the fact that they are pressed to restructure and must also make investments. They also feel pressures regarding credit and the wage fund, and in that situation, as soon as some reason emerges, the prices are moved in order to relax the pressure. This will continue to occur as long as the market does not have the power to correct itself.

[ADEVARUL] Will such pressure be felt in the next few days in connection with the recent measures to index and compensate wages for the rise of interest rates and the devaluation of the leu? In these conditions, is the government's decision regarding the duty of economic enterprises to announce price changes three months in advance, still valid?

[Stolojan] The regulation is valid, but what does it mean? There is this new element, which is the exchange rate of the leu, which is subject to change. This is a process that will have to be closely watched to see what influences imports will have on certain producers. For the time being and considering the current fluctuations, there is still no reason to amend the provision in question. We will have to reduce this term not to 90 days, but perhaps to one month.

[ADEVARUL] We received signals from business factors who claimed that the interest rate is the price of credit, therefore its rise should have been announced beforehand, so that they could have adjusted their financial and stockpile policies....

[Stolojan] Interest rates are a special kind of price. However, the undisputable increase due to interest is not as big as it seems, because one has to keep in mind the circulation of capital over one year; the faster it circulates, the smaller the share of interest in the cost.

[ADEVARUL] There are economic branches or activities with a long cycle or a natural cycle....

[Stolojan] For that we have to develop a certain credit policy; in other words, the commercial banks can do that, because they also have financial resources that they do not get at a 50-percent interest rate. Nevertheless, in activities with a long manufacturing cycle, the customers should normally settle their accounts at far shorter intervals, as is the custom in the world.

[ADEVARUL] Another issue that economic factors have recently pointed out to us is whether the actions contained in the recent government program will not diminish the entrepreneurs' interest in investing and in positive restructuring?

[Stolojan] I am not talking about infrastructure investments, but the others must bring a profit sufficient to cover the cost of the capital. If it does not produce such profit, the investment must be stopped. At the moment, our resources must be channeled to investments that indeed produce the largest profit. Such an investment policy can be promoted only by businesses, not by the

state. The state will have to continue to promote investments in the infrastructure. We have made a few, I would not say mistakes, but around 1990-91 we began to take care of the investments of some business associations. The banks will take care of those. Currently we do not have investment resources for projects that are "on the edge" or produce small profits. People are asking where the money is for investments. There isn't any. What the Ministry of Economy and Finance wants to do at this time is something positive, namely to ensure that the resources in lei generated from foreign loans—i.e., from the time a foreign loan came in until the time it has to be repaid, a few years later—should be concentrated in the banks as sources of credit, or be used to support investment projects in the infrastructure, something that will somewhat boost the utilization of the labor force. That, however, requires a clear commitment on the part of the society that in four or 10 years time, when the loan matures, resources will be made available from the budget to buy the necessary foreign currency to repay the foreign loan. We must now build roads and modernize the railways, and we can channel these resources toward such investments. We must build the Bucharest-Constanta highway. So we can put this money in the highway. As for investing in retooling and new technologies, there I think that the main movement will be especially among the mixed companies; however, even those who are not linked to foreign partners can cope with new investments that are very profitable. And since money is tight, it must be channeled toward what is most profitable.

[ADEVARUL] Do you think that our legislation designed to attract foreign capital, especially for production investments, has some weak points compared to the laws in the other Eastern countries?

[Stolojan] I do not think that it is weaker. I recently saw an opinion poll conducted among foreign investors, which showed that our legislation was not thought to have weaker points than others. There is still confusion regarding the ownership right over land. It has not been clearly understood that a foreign company may buy land in Romania as long as it exists as a company, because it enjoys the status of a legal body in Romania. Thus the company is the owner of the land as long as the business association lasts. As soon as it is dissolved as a legal body, the land in question must be resold to the Romanian state.

[ADEVARUL] Prime Minister, at your meeting with economic newsmen you tackled a burning problem: The negative reaction of many managers of state economic associations to privatization. More than 4,000 assets were advertised for sale, but only 115 went through. Is it possible that the privatization mechanism is at fault?

[Stolojan] The idea is to sell assets. There are objective reasons, too. In a worried, suspicious society like ours, we had to develop a very transparent mechanism for selling assets. For that reason, it takes two to three months to sell an asset. We made it obligatory to

publicize the intention to sell in MONITORUL OFICIAL. After that the asset is evaluated and its technical and economic features are published in two newspapers, a central one and a local one. A certain time is then necessary to register the bids. Then comes a procedure for the auction commission, and so forth. Until now, regarding the 117 sales of assets, we have had no problems about the transaction funds being contested. Thus, although it takes longer, the process of selling assets ensures openness and gives everyone an opportunity to participate. The second aspect concerns the work required to prepare an asset for auction. Here, in Romania, the legal situation of assets was not laid down and clarified in years. This is something very difficult and the evaluation itself takes time. Third: The relevant land is also sold together with the asset. For that, however, the cadaster needs to be updated, which is not at all simple, because we have enterprises that extended themselves very much for future developments, that for the time being have been canceled, and so forth. This process depends on the city halls and involves a procedure of its own. When I left the National Privatization Agency [ANP] at the beginning of October, the methodology had been put into operation. In my opinion, many of those difficulties could have been overcome in seven months. I followed this very carefully and I took several measures. Thus, ANP regional representatives worked directly to assist economic enterprises with the formalities involved in about 400 assets. Additional forces and professionals must participate along with them. By May we expect to have sold a far larger number of assets. At the same time, we have received very many signals to the effect that a number of enterprise managements changed their minds, because some people in the trade and tourism sector, for example, thought that leasing the management team was a better idea. In my opinion, the leasing system is inadequate because it unfortunately does not encourage investment. I talked to Mr. Fota about this and he was of the same opinion, so we are beginning to speed up the process of selling assets. The coming one, two, or three months will verify whether the sale of assets is well on its way to exhaust the "stock" of such assets. It should be realized that the sale of assets provides the business associations with financial resources for current activities and development and allows them to take fewer loans. A commercial association, even a tourism association, can thus sell hotels or villas and keep only a core of facilities that it can manage with sufficient financial resources.

[ADEVARUL] A great Japanese expert who visited our country was of the opinion that we Romanians made two major mistakes. One was that we gave up the idea of a plan, of programs, and of guided resources, an idea that Japan never gave up. The other was that we began to privatize property too quickly, instead of using the safest formula for the economy, that of managerial privatization. With trained managers, naturally risen from a collective and endowed with leadership qualities, the government would also have escaped the current social pressure.

[Stolojan] I think that he was right on both counts. Leadership cannot be provided without programs and forecasts, without establishing objectives. There are such attempts. At the time, however, at the beginning of the reform, any attempt along that line would immediately have been distorted. But we are seriously thinking of implementing the second idea. ANP has done a study, together with experts, and we are considering rapidly privatizing the several thousands of economic enterprises with a small number of personnel precisely by those methods. Then the large, conglomerate companies will be left, which can be privatized on the basis of projects which will also involve their dismantling, which means that more complex methods will be required. But for the other, relatively small companies, we have decided to sell stock. One of the chapters of that decision also describes the method you brought up.

[ADEVARUL] What is happening in the agriculture? Who is currently responsible for the disintegration of a sector that is both endangering the country and creating a state of insecurity for the government program?

[Stolojan] I am very much aware of this problem. I have accomplished something essential: I have secured the financial resources for the agricultural campaign, without which I cannot imagine what might have happened. It was not easy; the government held discussions for almost a month and differing viewpoints were raised about the role of the state regarding the agriculture. I skipped over all the viewpoints and took some measures that cannot be described as orthodox, but thanks to the measures I took—and I take full responsibility for my assertion—people can get on with the agricultural work in Romania. Any of the presidents of the banks and of the National Bank with whom I talked then can confirm this, the fact that this credit fund earmarked for financing agricultural work at 15 percent interest was achieved thanks to the fact that I was very familiar with the situation of the banks in Romania. Thus, using a method that, I repeat, belongs neither to a market economy nor to a centralized economy, we sat down at the same table and discussed the significance of the agriculture and the fact that each one of us had to pay his dues to the agriculture. That is how we managed to achieve this credit fund, without which I cannot think what would have happened this summer. This measure needed further support in terms of material supplies: fuel, fertilizer, insecticides. In this respect things did not move all that well. Some efforts were made, but they fell short of what was needed. The import of chemicals vital for agriculture was also greatly delayed, either because of our hard currency impasse, or because of a lengthy process of dialogue between the ministries and the banks. But the problem is still far from being resolved. It has, however, been brought to a stage where the situation of this year's crops is not desperate. There continue to be difficulties. At the same time, however, this agricultural sector, especially the state capital sector, must begin to respond and to work like in a market economy. In this respect the situation is rather unclear. There is a difference between subsidizing the agricultural sector in a

developed country so that it will not produce too much, and subsidizing the agricultural sector in a country like ours, where there is actually no output. We make a distinction between these things, and the criticism that we are subsidizing the agriculture is not valid, because the method and the goals are entirely different in our country. We need to come to the point where we can efficiently spend the money earmarked for agriculture. There is still much to be done in this respect, also in the agricultural apparatus, from top to bottom, also regarding the manner in which we must support the producers. The program calling for manufacturing small, 20-horsepower tractors was put in motion with great difficulty, but it is not clear yet that it will work. So I can state that, though we may be criticized a lot and though there is fundamental agreement, we do not have the ability to solve all problems. This is just like with the elections: Everyone admits they must come as soon as possible, but we are moving on the problem with great difficulty.

Minister on Industrial 'Blockage' Problem

AU0607180492 Bucharest CURIERUL NATIONAL
in Romanian 23 Jun 92 pp 1, 4

[Interview with Industry Minister Dan Constantinescu by Mircea Caster; place and date not given: "The Third Blockage Will Be Fed Into the Computer"]

[Text] [Caster] Mr. Minister, how did we arrive at this new financial blockage?

[Constantinescu] This latest blockage—the third one, I believe—has two causes. First, the fact that the previous blockage was only partially solved through the financial-economic measures taken last fall. Failure to carry through the deblocking process led to the immediate possibility of the emergence of a third blockage. Second, part of the economic units have not yet started to work at a normal pace, on the basis of normal economic principles, and continue to deliver products without making sure they will get paid for them.

[Caster] What does the new blockage mean for industry?

[Constantinescu] As you know, I drew attention to this danger as far back as last January. My warning was ignored, and the blockage has now taken greater proportions. At the level of the Ministry of Industry, we have some 680 billion lei yet to cash and some 385 billion lei to pay out. Therefore, we are faced with an industrial blockage of about 300 billion lei.

[Caster] How was the partial deblocking conceived, at the level of industry?

[Constantinescu] For a year now, I have been saying that we must first check the financial situation of each trade company alone. All that was done was to resort to the traditional deblocking methods, that is, covering shortfalls from the budget and other special funds. However, we did not have enough funds for everything! On the

other hand, the inefficient and unprofitable enterprises were allowed to practically generate the third blockage. What should the Ministry of Industry do then? Of course, it is not within its powers to declare certain enterprises bankrupt or close them down. We could have put together, on the basis of various data, lists of inefficient companies to be known to the entire economy, something which might have prevented this new blockage.

[Caster] Have you done that now?

[Constantinescu] Given the absence of such measures at a national level, the Ministry of Industry launched a partial deblocking of the industry, that is, a "forced" deblocking, since the ministry has no sufficient instruments to carry it through. The banks are those who know and give credits to the economic units....

[Caster] What is the... algorithm of this partial deblocking?

[Constantinescu] First of all we asked the trade companies to present their books and invoices. With the help of the information thus gathered and fed into the computer, we will scrap certain debts, meaning that we will cancel direct and indirect mutual debts between three to four trade companies, however only within the realm of the Ministry of Industry. In the end, we will see which economic units are owed money by other branches. Then, we will try to generalize this action.

[Caster] What will happen to those economic units?

[Constantinescu] They must be isolated from the overall economic system and dealt with individually—some may be restructured, others even closed down. There are many possibilities, depending on each individual case. Some units may be inefficient due to their system, or their specific organization, or other reasons. A solution must be found on an individual basis. Anyhow, deblocking, no matter how it may be done, is only an administrative measure. The solution is to eliminate the causes of the blockages. These causes usually rest with the economic units, hence, they must be removed at the roots.

[Caster] How?

[Constantinescu] This depends on the economic education and realism of those who should only maintain trade links with and deliver goods to end-users that can pay. This is where more should be done.... We have not yet learned to do that. The economic units were taught to do other things, such as stockpiling raw materials and asking for two to three times more supplies than their needed so as to receive exactly what they needed. Right now, the transition has made good progress in the legislative sphere, but it is lagging behind in the sphere of economic relations. Do not misunderstand me: When I praised the economic legislation, I did not mean all of it, since there are certain gaps there, too. Nevertheless, its

main "directions" have been laid down.... Certain anomalies have emerged, though, which were speculated on or even maintained deliberately....

[Caster] The same as the blockage that you are now trying to eliminate?

[Constantinescu] Yes, but I would like to emphasize once more that if deblocking does not take place at the level of the national economy, the current measures will practically just postpone a generalized and inevitable blockage.

Ruling Party Concerned About Ecology

*AU1007120992 Zagreb VECERNJI LIST
in Serbo-Croatian 20 Jun 92 p 4*

[Report by D. Djuretek: "Elections—Constitutional Duty"]

[Text] Zagreb—There is increasing talk among the public about possible elections in Croatia, and they were one of the topics at yesterday's news conference of the Croatian Democratic Community [HDZ].

Drago Krpina, vice president of the party's executive committee, said that the HDZ is preparing for possible early elections. This is the reason the party took part in extraordinary elections assemblies in some municipal organizations. He stressed that the HDZ does not wish to prejudice when the elections will be held, as that is the exclusive constitutional authority of the president of the republic. It is possible, he said, that the elections will be held soon. The HDZ has concluded that the reasons favors elections are stronger than those against. Although some Croatian territories are still occupied, although there is still the problem of refugees, and although the UNPROFOR [UN Protection Force] has not yet completely taken on its obligations, despite all that, Krpina said, it is in the country's interest for the elections to be held, particularly as the UNPROFOR would soon have to accomplish its duties, which should definitely lead to the ending of the war.

Elections are, he stressed, a constitutional duty, and the newly constituted parliament should play a more active part in the development of the legislative infrastructure and would so produce a more unified government. It is a positive measure to make the mandate of the present parliament available to the people, and the elections would ensure that the state administration is better

enabled to deal with future tasks. Asked to comment on the opposition's claim that elections for just one house are unconstitutional, Krpina said that the opposition is always calling for a legal state and claiming that things are unconstitutional, even though the constitutional court has not found them so. Krpina said that the HDZ would form its elections headquarters, and that the candidacy of individuals would not be only a personal decision, but part of the party's overall strategy.

Ante Kutle, president of the parliamentary committee for the protection of the environment, said that it is well-known that the HDZ's program, which was presented to the first parliament, contains a section on the protection of the environment. The HDZ has adopted a declaration on it, which had been accepted at a parliamentary session. He said that the party will ask for the voters' support on ecological questions. There are many ecological "black spots" in Croatia, he added, but some of the problems could be solved immediately, and the HDZ would do so. The process of closing down the coke factory in Bakar should be started immediately, and that question should be placed on the agenda of a government session. There will be no compromise, he said, because people there are simply being poisoned.

The firm Crnica should be moved from Sibenik, and it would be best if the firm involved in electrolysis never started production. The sewage problem in the Kastelan Bay should be solved urgently, Kutle said, adding that he sharply opposes any delays in solving the problem of communal waste in Zagreb. When the whole economic situation improves, he said, the problem of the Kutina oil chemical industry should be placed on the agenda.

Drago Krpina added that the war has caused "ecoside" in Croatia, and, since Croatia could do without dirty industry, the HDZ will insist that the Croatian economy be developed by natural means.

Macedonia's Prerequisites for Joining Europe

92BA1062A Skopje NOVA MAKEDONIJA
in Macedonian 6 Jun 92 p 2

[Article by Lj. Popovski and V. Maievski: "European Projection for Macedonia"]

[Text] *We must be free from Europe as a single ideological unit and realize that, to us, Europe cannot be an abstract salvation but only an example in the development of our relations, Denko Maleski, minister of foreign affairs, said at the opening of a discussion on the possibility of making Macedonia a part of Europe.*

Delcevo, 5 Jun—The celebration of "Goce Days," which was held in Delcevo, was attended by a large number of intellectuals in the economic, political, literary, and historical fields and ended with a debate on the linking of Macedonia to Europe. The large number of participants and speakers on the topic of "Europe and Macedonia—A Projection" presented their views on the Macedonian link to European processes and their feedback, without heavily emphasizing historical aspects and day-to-day policies. The discussion emphasized the content and instrumentality for the integration of Macedonian science within contemporary European intellectual movements and the foundations for the future accelerated development of Macedonia, through which we would like to more quickly become a part of Europe.

According to the agenda, as conceived by its organizer, Denko Maleski, minister of foreign affairs, several noted scientific and political personalities spoke on different aspects of the possibility of Macedonia's being included in Europe. At the conclusion of his speech, Maleski said that what we need is a vision that would be consistent with the reality that we are on the periphery of a Europe that is unsafe from the political, economic, and security standpoints. Minister Maleski said that the main issues that are raised are how to develop political institutions based on debate and consensus, on respect for political opponents, and how to get rid of our fear of the global market. In his view, we must Europeanize our area because we are quite far from what is described as the spirit of Europe. He cited a number of examples to this effect, including those of the former Yugoslav republics and Greece, which wants to be a European country, but economically only and not in the spiritual sense. "Europe is something more complex than geography. Europe means a way of thinking characterized by tolerance, pragmatism, and principle-mindedness. Relations with Europe also involve relations with Balkan nations, and it is precisely such relations that today are being tested," Maleski said. He stressed that there is no magic European formula that could resolve our problems if we are unable to resolve them ourselves, and that there is no special passageway leading anyone to Europe. Maleski especially pointed out that we must get rid of nationalism and state egotism and open processes for peace and cooperation in the Balkans. In his view, the fact that all

Balkan countries proclaim democratic principles does not guarantee that relations among them will be democratic.

"No one is guaranteed success in advance," Maleski said. He asked Macedonia to learn faster than its neighbors to apply the CSCE [Conference on Security and Cooperation in Europe] standards faster so that it can start the broad processes needed to meet the requirements of human and minority rights. Maleski concluded his presentation with the recommendation to put an end to considering Europe an ideological ideal and realize that, to us, it cannot be an abstract salvation but only an example of how to develop our relations.

Particularly interesting from among the several other introductory presentations were those of Academician Nikola Uzunov, Prof. Dimitar Mircev, and Prof. Zlata Popovska. According to Uzunov, in the case of Macedonia, Europe begins at home by mastering the European concept of quality of life, which does not mean merely a standard and a consumer mentality. He said that, over the past 20 years, Europe has developed as a system of social justice, based on a market economy. Uzunov said that Macedonia is lulling itself by believing that its recognition would solve all of its problems and giving little thought to the fact that becoming a part of Europe is an incredibly difficult process. In his view, natural resources and manpower are our main resources. However, to become a part of Europe, it is most important to have available capital and corresponding technological development. Capital may be generated at home, whereas technology is a question of transfer, and this should be the strategy to follow in becoming a part of Europe. There are several dangerous points along the way—the development of strong governmental power, budgetary restrictions, and the buying of social peace through excessive public consumption—Uzunov concluded. A statement in the same spirit was made by Zlata Popovska, who stressed that we are separated by a deep precipice from the developed European countries, which are growing into a new information society, whereas we have still not completed the second technological revolution. According to Popovska, Macedonia has not corrected its past mistakes and thereby has increased its distance from Europe. She said that a market economy is only a prerequisite for development and that real progress requires a development strategy that must abandon a philosophy of development through trade and the purchasing of obsolete technologies, but in which priority should be given to a flexible infrastructure and high technology.

According to Dimitar Mircev, at this point, Macedonia is not meeting even the conditions set by the Organization of African Unity, let alone those of the European Community. Mircev said that a great deal of thought should be given to how to make us become a part of Europe.

"We need an absolutely total transformation and coordination with the European complex," Mircev said,

adding that we cannot avoid Europe and that we must adapt ourselves to it. He said that Europe is a prerequisite but not a messiah who would magically resolve our problems, and that this is a sequence that can be adopted and honored in its entirety. "We have no alternative to this," said Mircev categorically.

Dimche Belovski, chairman of the "Goce Days" council (he spoke on the changes that have taken place in Europe and on Macedonia's geostrategic position), also spoke. Ivan Toshevski raised the question of human rights in Macedonia; General Todor Atanasovski spoke on the breakdown of the military polarized world and the dangers threatening Macedonia (in his view, the most dangerous of the four great nationalistic strategies that surround it is the Greater Serbian); and Ivan Katarjiev told of the historical changes that have occurred since the fall of the East European communist kingdom.

Most of the afternoon speakers were guests, including Krste Crvenkovski, Aleksandar Khristov, Vera Aceva, Dushan Popovski, Tikhomir Jovanovski, Gane Todorovski, Shaban Prevala, and others. In the evening, the finals of the "Goce Delcev and His Times" quiz was held within the framework of the event at Makedonska Kamenica, with the participation of teams from five Macedonian schools. Tomorrow afternoon there will be a major popular rally at which Stojan Andov, president of the Macedonian Assembly, is expected to speak.

Macedonia's President on Recognition Issue

92BA1000A Stockholm SVENSKA DAGBLADET
in Swedish 26 May 92 p 6

[Article by Bjorn-Erik Rosin: "Macedonia Disappointed in the EC"]

[Text] *"We have satisfied all of the conditions to be recognized," says the president in an interview with SVENSKA DAGBLADET.*

Skopje—Macedonia managed its divorce from Yugoslavia without violence. The country has not in the least way been involved in the wars which have already been going on for a year. Yugoslavia's army left Macedonia without a shot being fired. And consequently almost no one has dared recognize this new member of world society.

Kiro Gligorov, the country's president, does not hide the fact that he is disappointed, especially by the way in which the EC has handled the issue.

"We have satisfied all of the conditions in the UN Charter and those set down by the European security conference, but we are not getting recognized internationally. States which have provoked war and are threatening others, though, have been," he said.

Kiro Gligorov is a man with extensive experience in Yugoslav politics. During the war he belonged to Tito's partisans and afterwards he was finance minister and the

speaker of Yugoslavia's parliament, among other things. Last January he was elected president of Macedonia. He is 75 years old but, with his slender face, he looks much younger.

Kiro Gligorov received SVENSKA DAGBLADET on the same day as Slovenia, Croatia, and Bosnia-Herzegovina were voted in as members of the UN's General Assembly. To the question of how long Macedonia will have to wait the president has no answer. Though some time next week Macedonia as well will make an application to the United Nations. Perhaps that will speed up dealing with the Macedonian issue in other respects as well.

"Need a War"

Never in the history of diplomacy have such rigorous requirements been made for recognition as the EC has set down for the former Yugoslav republics. Involved are the treatment of minorities, democratic reliability, control of one's own territory, acknowledgement of international agreements on security, on human rights, etc. In early January of this year, the EC's own investigative commission reported that two of the republics satisfied all of the requirements: Slovenia and Macedonia.

Slovenia, Croatia, and Bosnia-Herzegovina have been recognized as independent states. But not Macedonia.

"Maybe we need a war as well," Gligorov said.

But it does not. The price is not worth paying, the president hastened to add. He is fully aware of how sensitive the issue of Macedonia's independence has become in the Balkans.

While Slovenia and Croatia early on aimed at independence, Macedonia, the poorest of the Yugoslav republics, for a long time took a more discreet position. Together with Bosnia-Herzegovina's president Alija Izetbegovic, Kiro Gligorov tried to find a solution which could satisfy all parties and create the conditions for some form of Yugoslav cooperation. Then, in mid-September of last year, when full-scale war broke out in Croatia, Macedonia broke away from Yugoslavia.

Provocative Name

Macedonia's declaration of independence caused a violent reaction in Greece. Age-old instincts and reflexes from the Balkan War's days 80 years ago proved that they were still alive. The Greeks thought they had a copyright on the name Macedonia, the name of Philip the Second's and Alexander the Great's empire, and an independent neighboring republic in the north with that name was seen as a provocation and a clear indication that there were claims on Greek territory.

That is the reason recognition by the EC has been delayed and why the European diplomatic machinery has begun to hem and haw and why France's Foreign Minister Roland Dumas has spoken of Macedonia as the

Nemo Republic—the republic without a name—just like the nameless captain in Jules Verne's story.

"Asking us to change the name we have had for several centuries is going a bit far," Kiro Gligorov said.

Repressed Nationalism

Macedonia's president believes he has already done quite a good deal to calm his neighbors to the south. The government in Skopje has repeatedly stated that it has no territorial claims on any other state. In early January, Macedonia's parliament approved an amendment to the constitution stating precisely this.

That did not help. In centrally governed Greece, which has never recognized any Macedonian minority within its own borders, national feelings run high, and there have been demonstrations in Thessaloniki with hundreds participating. The airport of Greece's second largest city has been given the name Macedonia.

Avoids Overtones

In the Republic of Macedonia, they prefer to avoid nationalistic overtones. They are dealing with an evidently discreet independence. The observer who has witnessed nationalism in Zagreb or Belgrad is struck by the fact that the capital city of Skopje is entirely free of nationalist messages if one overlooks the sale of decals and T-shirts with the words "I love Macedonia" on them.

There are no banners in the streets. The provisional Macedonian flag, red with a gold star, is hardly to be seen in the town. There is nothing at the border crossing that screams out that one is in a new state. On the new bank notes, they have avoided all symbols which could be misinterpreted.

"There is the risk that old conflicts in the Balkans could flare up again. The way to prevent this is negotiations and mutual understanding, and not starting to change old borders. We want to help by showing that it pays to solve problems in a prudent fashion. If Frenchmen and Germans can live together, then we too ought to be able to do the same," the Macedonian president said.

"Sooner or later Greece will yield. Naturally there are extremists here as well but I do not get the feeling that people in general are out to win over the Greeks, to see them retreat," said Saso Ordanoski, a journalist on the weekly magazine PULS in Skopje.

Macedonia's representatives say they are more than aware that they need good relations with their neighbors. The Greek city of Thessaloniki, barely 200 kilometers from Skopje, is the nearest port and plays a central role in Macedonia's trade with the rest of the world.

At present economic relations with Greece are at an impasse. Border traffic between the two countries does not flow freely. Transport to and from Macedonia is

regularly stopped, and vehicles with Macedonian license plates are made to wait at the Greek border.

Breaks the Rule

At the foreign ministry in Skopje, however, they repeat cautiously that the restrictions are unilateral, that Macedonia has not introduced any restrictions or any obstacles on automobiles registered in Greece.

"I wonder how it is in accordance with EC principles that one of its member states is breaking the rule of freedom of movement for goods," President Gligorov said.

The situation is no easier for Macedonia inasmuch as its neighbor to the north, Serbia, is also experimenting with a blockade. Macedonia's geographic location is hardly enviable, with fragile relations with its neighbors to both the north and south. Most surprising, however, is its neighbor to the east, Bulgaria, one of the few countries to have recognized the state. Matters have clearly evolved when one thinks of the frosty relations between Bulgaria and Yugoslavia which prevailed since World War II over the very subject of the Macedonian issue.

Bulgaria, Turkey, Slovenia, Croatia, Bosnia-Herzegovina... and the Philippines, President Gligorov adds. He provided a list of those countries which have now recognized Macedonia.

"Our need for contacts with the outside world is a desperate one. We are so isolated. You can see that when we have to have discussions with the EC. We just do not count internationally and consequently it is difficult for us to get our bearings and fill in the background on the taking of various positions," one Foreign Ministry official said.

Macedonian Daily on Serb-Greek Confederation

92BA1172A Skopje NOVA MAKEDONIJA
in Macedonian 28 Jun 92 p 2

[Commentary by Cvetan Stanoeski: "Confederation With a 'Skip'"]

[Text] The idea of a Serb-Greek or Greek-Serb confederation—take your pick—which was described by a newsman on the Greek Antena TV channel as "fantasy" and "insane," was not described that way by Serb President Slobodan Milosevic. Milosevic said in an interview that this idea is "all in all not insane" and confirmed that he had already suggested it to Greek Prime Minister Mitsotakis. On top of that, he claimed that a Yugoslav-Greek confederation would be a stability factor in the area and in the interests of the Serb and Greek nations.

We are not claiming that there are no ideas, some of them even implemented already, of a confederation between two or more countries. We do not deny that some thought has been given to a confederation between Serbia and Greece. However, what precisely strikes us is

the insanity of such an idea. Strictly speaking, either someone is crazy enough to conceive of a confederation between two countries that have no common border or an effort is being made to depict as insane those who are situated between the borders of those two countries. There is no other explanation for the effort to coexist with a country that has been internationally accused of committing an aggression against another state and of combining the universally notorious Yugoslav Army with the forces of a country that is a member of NATO. How is it possible to qualify as other than insane Milosevic's idea that, with a confederation, Serbia would become an equal member of the European Community, that same EC that, for months on end, has been having difficulties with Serbia and that has introduced the strict blockade of a Central European country for the first time in history?

Milosevic, the person who rejected all efforts to develop a confederative structure in the former Yugoslavia, finding himself in the situation of a drowning person and believing that Greece is now his only friend, is obviously trying, by all possible means, to save his own head in his own country. This is the reason for such efforts—to anticipate a number of developments. Obviously believing that the president must lead the people and the state, and considering that he is very familiar with the nature of Mr. Gligorov, he is trying to make us believe that the Macedonian president would not oppose the idea of such a confederation.

Obviously, Milosevic has misunderstood the peace-loving policy of President Gligorov, a policy of good-neighbor relations and cooperation. That is why, despite the latest statements concerning a consultation with all countries and an insistence on holding a Macedonian-Greek dialogue, which Greece is stubbornly refusing, Milosevic asks that he be credited with the idea of a confederation with Greece, even though Macedonia is situated both geographically and historically between the two. Who has checked with the Macedonians about something they learned from an interview with a person who is disliked by his own people, from an interview given to some private television station, a Greek one at that? Or, forgetting that, what is being demanded of Macedonia with the idea of a confederation, and why is it that this idea does not include any mention of Macedonia, which, in his answers, Milosevic tried to avoid? If this proposition involves Serbian territorial claims or the Greek nonrecognition of the Macedonian State, what sense would it make for Macedonia to consider itself some kind of future creation of a group of countries that, in no case, have its good at heart.

Leadership Struggle in VMRO-DPMNE Continues

'Crnomarov Case'

92BA1030A Skopje NOVA MAKEDONIJA
in Macedonian 20 May 92 p 4

[Article by D. Kjurkchiev: "Split in the Party Leadership?"]

[Text] Was Crnomarov's replacement based on a directive of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] in Skopje? Contradictory statements made by opshtina leaders on a split within the party.

Bitola, 19 May—The "Crnomarov case" continues to puzzle the VMRO-DPMNE rank and file and is becoming especially acute in the highest party leadership, indicating even the possibility of an eventual split between the leaders of this "most Macedonian" political organization.

This is confirmed by statements made today by some members of opshtina committees in Bitola, Okhrid, Strumica, and other cities of the Republic, who arrived here today to participate in the protest meeting that will be held this evening at the Goce Delcev main square in Bitola, sponsored by the Bitola VMRO-DPMNE opshtina committee, in reaction to the delayed international recognition of the Republic of Macedonia.

We were told by Tane Markovski, a member of the VMRO-DPMNE Okhrid opshtina committee and the VMRO-DPMNE Central Committee, that the Okhrid party organization has given its unreserved support to Crnomarov, condemning the "putschist attempt" of the five-member "provisional leadership body." Markovski did not fail to mention that recently, despite expectations, a "wall of silence" had been built by the Republic party leadership concerning the Bitola events, believing this to be greatly damaging to the unity and further consolidation of the party's ranks.

Although the VMRO-DPMNE party leadership recently provided details on the "Crnomarov case," which, obviously, shook up the party ranks, a number of questions remain unanswered.

Specifically, despite the "communique" of the VMRO-DPMNE Executive Committee, which recently provided an explanation similar to the "communique" issued by the "provisional leading body" of the "putschist group" in Bitola, which, among others, states that "the removal of Crnomarov from his functions and from further party membership was caused by his extremist methods of party actions," Nikola Kolarov, a member of the Executive Committee and of the VMRO-DPMNE Central Committee of Bitola, said today at that party's opshtina headquarters precisely the opposite, thus introducing a new "short circuit" in relations between Bitola and Skopje. It was precisely Kolarov who categorically stated that "the Executive Committee neither explained nor provided any reason whatsoever for Crnomarov's replacement!" Asked to explain the "communication" of the Executive Committee issued to the media as to who had done this and for what reason, Kolarov was unable to give an explanation, stating that such speculation "will mandatorily be clarified soon!"

Even more puzzling is the statement by Bragi Konjanovski of Bitola, one of the five condemned "putschists," concerning a member of the self-designated "provisional

leading body." He told the author of this report this afternoon that, prior to the 9 May meeting at the Korzo coffeeshop in Bitola, he had consulted with the VMRO-DPMNE party leadership in Skopje! Konjanovski had a written "recommendation" signed by Ljupco Georgievski, the VMRO-DPMNE chairman, who, among others, asks that Crnomarov be removed more quickly from his functions and party membership "because of displayed extremist methods in party activities and so on." On behalf of the "provisional leading body," which, meanwhile, was fiercely attacked by the Bitola opshtina committee and exposed as a putschist group that is dividing the Bitola membership of that party, Konjanovski yesterday appealed via Radio Bitola to the VMRO-DPMNE members and the citizens of Bitola opshtina to boycott the planned protest meeting.

In the afternoon, despite reports, the VMRO-DPMNE opshtina committee had not definitively confirmed the arrival of party chairman Ljupco Georgievski. Unofficially, this is interpreted as a kind of "calm before the storm" and as the "final settlement" between the VMRO-DPMNE leader and Dimitar Crnomarov, his "right hand." However, reliable sources have informed us that the arrival of Georgievski, Dimovska, and Zmekovski has been postponed until the weekend.

Compromise Reached

92BA1030B Skopje NOVA MAKEDONIJA
in Macedonian 27 May 92 p 6

[Article by D. Kjurkchiev: "Georgievski and Crnomarov Make Peace"]

[Text] *Responsibility for the ferment within that party has shifted to the information media. Nothing has been heard about the promised "communication" or the explanation of the Executive Committee on the subsequent fate of the five "putschists."*

Bitola, 26 May—A closed session of the members of the Executive Committee of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] Bitola opshtina committee and the Republic's leadership of that party, headed by its chairman, Ljupco Georgievski, was held in Bitola yesterday. According to the short and sparse communique issued to the information media in the afternoon in that opshtina, the reason for the meeting of the VMRO-DPMNE leadership in the city by the Pelister Mountains can be guessed: the latest internal party ferment within the ranks of the VMRO-DPMNE concerning the "Crnomarov case." As was reported about the 9 May meeting, which was held at the Korzo coffeeshop in Bitola, a group of members of the Bitola branch of that party tried to "remove from chairmanship and further membership in the party Dimitar Crnomarov, the deputy chairman of the VMRO-DPMNE and chairman of the party's Bitola opshtina committee."

It was by accident (or deliberately) that this event was reported exclusively to Radio Bitola, although it is clear that it was addressed to the "public media" at large. Whatever the case, the report says, among other things:

On 25 May 1992 (Monday), a meeting of the Executive Committee of the Bitola VMRO-DPMNE opshtina committee was held, which, in addition to all of the members of the VMRO-DPMNE Executive Committee, was attended by the Republic leadership, headed by Chairman Ljupco Georgievski. The members of the Executive Committee of the opshtina committee asserted their unity and their readiness to resolve all problems through democratic discussions. At that meeting, the behavior of the information media, which are tendentiously interfering in internal party activities of VMRO-DPMNE committees, was most sharply condemned.

This was both brief and...unclear! Other than the last proposition, which clearly led to the conclusion that at the closed meeting information provided to the media was most severely criticized (the individual was not identified) because of the "tendentious interference in the internal activities of VMRO-DPMNE committees!," not a word was said about whether Dimitar Crnomarov was attacked at the meeting or whether the criticism affected the five "putschists": Dragi Konjanovski, Dimche Kuzmanovski, Dragan Dimovski, Nikola Domazetovski, and Blagoj Toshev (the Republic representative), who so sharply condemned Crnomarov!

Therefore, the most significant part of the meeting was that both the number-one and the number-two men of the VMRO-DPMNE "confirmed the unity and readiness, through internal democratic debates, to resolve all problems." Nothing was said about the promised "communication," which was reported via the public media by the members of the VMRO-DPMNE Executive Committee, who, after the exposure of the 9 May "putsch," tried through those same public media to announce that the VMRO-DPMNE Central Committee will soon be asked to replace Crnomarov "for manifested extremist methods in political action, violating the party's statute and programmatic objectives."

The result of this communication is that the "Crnomarov case" is a most ordinary fabrication for the public media!

If such is the case, which it is not, why is it that the news media reacted to the meeting precisely on the basis of the communications they received from the then-quarreling factions of the VMRO-DPMNE branch, informing the public of all of the views on the "Crnomarov case," as well as of their consequences? The information provided on that case was based not exclusively on controversial reports but also on the statements made by people who had become involved in the case, which was not exclusively "an internal matter for the party." Thus, whereas on the one hand Dragi Konjanovski and the other members of the "putschist body" claimed that "stripping

Crnomarov of his powers" was backed by the majority of the Bitola opshtina committee, in his reaction to the meeting at the Korzo coffeeshop, he categorically called it an "attempt of a coup through an illegitimate decision!"

We believe that the puzzlement concerning such excitement within the VMRO-DPMNE remains unresolved. All that is clear is that "Attack is the best defense," which remains the basic "strategic" decision of that party's leadership.

Partisan Warfare as Possible Macedonian Recourse

92BA1074A Skopje NOVA MAKEDONIJA
in Macedonian 30 May 92 p 15

[Article by Zoran Petrov: "Should Macedonia Be Able To Respond to an Eventual Aggression? The Balkan Peace Balance"]

[Text] *According to General Todor Atanasovski, Macedonia today faces the greatest threat from the north, although no signs of direct preparations for the use of force have been detected. The partisan warfare style is the most suitable for Macedonia to wage a liberation and defensive war. The specific strategic position of the Republic is an obvious factor in its security.*

"An army does not exist to go to church to pray or to plant flowers" was the well-known thought of a British World War II general. This is an unequivocal allusion to the fundamental and most essential purpose and function of any army in the world. An army is an organized, compact, and coordinated system to wage armed struggle. By its very formation, regardless of doctrine, strategy, or tactics, the Republic of Macedonia (actually, this is also part of its constitutional requirements) has decided to oppose by force of arms any kind of aggression. In other words, the fact that the Army of the Republic of Macedonia is a reality is essentially an answer to the question of what the Republic will do and how it will react in the case of an eventual armed threat to its borders. The extent of the likelihood of aggression committed against Macedonia, which directly determines the type and nature of the defense tactics, is an entirely different matter and a subject of serious analytical assessment. The definition of the possible nature of the aggression actually determines the type and strategy of armed resistance. The Republic of Macedonia neither has nor could raise the type of military force that would constitute a threat or a potential danger to the area. One of its fundamental constants is that it would wage a war only if a war were imposed on it, if its sovereignty and territorial integrity were threatened. Why would the Republic of Macedonia be the target of aggression, and are there reasons for any country that proclaims its intention in advance and refuses to engage in an aggressive policy to be involved in an armed conflict?

"The Danger Comes From the North"

"Objectively, in the case of Macedonia, the most critical is the transitional period following the breakdown of the Socialist Federal Republic of Yugoslavia and the creation of new constellations in relations among the former republics," said Todor Atanasovski, a retired general. "Macedonia is an exceptionally important factor in the establishment of the new relations, as confirmed by the constant delays in its international recognition." The outcome of the war in Croatia and Bosnia-Herzegovina [B-H] is still unknown so that, according to Atanasovski, the Republic must develop its defense under the very tense circumstances that are actively taking shape; these circumstances are of substantial significance not only for external but also for internal relations with Macedonia.

At present, Macedonia's greatest threat comes from the north, Gen. Atanasovski said, and it is also subject to the territorial claims of its neighbors. The Serbian policy that would like to include Macedonia in the so-called Federal Republic of Yugoslavia agrees exceptionally well with the Greek concept, which would find such a solution perfectly acceptable. The main problem, in his view, is whether the Republic of Serbia, under such circumstances, would have enough strength to acknowledge Macedonia as an autonomous country or, should it decide to annex it, whether it could. In the present circumstances, Gen. Atanasovski said, there are no indications of direct preparations for the use of force against Macedonia because I personally believe that this is the least suitable solution for Serbia. So any kind of classical armed invasion, manifested in an attempt to mount an attack with the use of all forces and facilities (landing units, artillery, armored units, aviation), is excluded. Considering that the former Yugoslav People's Army has that potential, according to our interlocutor, he does not believe it would assume the risk of mounting open aggression. Even the latest maneuver—the alleged withdrawal of the Yugoslav Army from B-H—whose purpose was to fool Europe, unequivocally indicates that Serbia cannot assume the role of an aggressor.

Macedonian security also depends on the events in Kosovo. According to Atanasovski, one of the military variants for Macedonia could be the provocation of so-called inevitable military intervention in Kosovo and Macedonia. Normally, the development of the situation includes advance preparations of the "terrain," involving clandestine political and economic destabilization, agitation, and even internal fighting. This would also create prerequisites for the option of "helping the threatened Serbs."

How Will Macedonia Defend Itself?

The Republic does not have an armed force that could match the forces of any of its neighbors. For that reason, in the case of eventual aggression, we should not rely on establishing and maintaining a front line along our borders. There are also other ways of resistance, and, according to our interlocutor, strategically, the best

would be guerrilla warfare, covering a broad area and involving combined actions. One of the main prerequisites is the functioning of all of the nonarmed components of the state, thus ensuring the most important factor, which is unity and coordination of command of the forces. Atanasovski emphasized that partisan warfare, is, among other things, inherent in so-called liberation or defense wars, and this concept includes all other types of resistance and struggle against the enemy.

A key factor in Macedonia's security is its internal stability and the high degree of unity of the entire nation. The standards of community life developed after ages of living in this Balkan whirlwind is the most important strategic feature of our existence and survival. In Atanasovski's view, any destabilization or interethnic confrontation is a direct channel for outside military intervention by our "rescuers."

As was recently said by Trajan Gocevski, the Macedonian minister of defense, the armed conflicts in Croatia and B-H have their inner generators and protagonists. In his view, the situation in the Republic is truly different, not only on the domestic level but also in the field of international peace-loving and constructive policy. Furthermore, the so-called balance of fear that exists among our neighbors is another powerful factor for peace in Macedonia because, as President Gligorov said in his address to the Common Market ministers, the possibility that the war will spread throughout the entire Balkan area does exist. In other words, if the Republic is attacked, one should also take into consideration the energizing of the other megaconcepts, as a result of which the implications of eventual armed conflict would be much broader and greater. This is precisely the nature of the specific strategic position held by Macedonia, which, in the present circumstances, provides such a balance in the Balkans.

Regardless of the inertia in the international arena concerning the recognition of the Republic of Macedonia, which is essentially much more than ordinary solidarity with a "Greek partner," it is fundamentally true to say that an elementary prerequisite for Macedonia's peace and security lies precisely in its internal peace, stability, and unity. This is also the decisive factor in the defense of the Republic of Macedonia.

Macedonia Faces Air Traffic Control Problems

92BA1028A Skopje NOVA MAKEDONIJA
in Macedonian 26 May 92 p 5

[Article by B. Janev: "Danger of Interruption of Air Communications"]

[Text] *Employees in air traffic control in Skopje and Ohrid have recently provided, through their working group, information to all of the competent authorities in the Republic, warning of disruptions in the traffic control system and air safety in Macedonia resulting from the absence of regulations concerning the controllers' status in*

the state, and providing information on violations of flight control and safety rules. Ignorant behavior shown by the sectorial ministry.

The independence of the Republic of Macedonia has raised, among other huge problems, a very important and delicate issue in the area of communications—that of flying. It is precisely in the area of air traffic that the moment Yugoslavia disintegrated Macedonia faced a large number of unknown, unregulated, and undefined aspects in the functioning of the air traffic control system. This system, on whose shoulders air traffic rests, had been until now under the control of the Armed Forces. Now, all indications are that the Macedonian State has done little to take over and ensure flight safety over Macedonia. That is precisely why, and to avoid undesirable consequences, some 60 air traffic controllers at the Skopje and Ohrid airports recently appealed to anyone in charge not only of air communications but also of the fate of the state, asking for facilities to ensure the safety control system and flights over Macedonia and to prevent breakdowns in air traffic.

Initiative Without Response

The reasons for this step taken by the service, which set up a special working group for this purpose, are numerous. Above all, they are the obvious neglect of their petitions and complaints for cooperation on the part of "their employer," the Ministry for Urban Planning, Construction, Communications, and Ecology, to which numerous appeals for help met with no response. The materials, among others, state that, since the beginning of February, the threat of a breakdown in air traffic over Macedonia has existed. The air traffic controllers in Skopje initiated, through their trade union, a meeting between the Republic's government and the union air control administration in order to resolve the existing problems, so that there would be no interruption in service. At that time, the ministry suggested a reorganization of the air traffic control system, similar to the concept of the traffic control personnel. However, the idea was opposed. According to the air traffic controllers, this harms not only the service but also the interests of the airlines, the public airport service enterprise, and all of the other elements of such an important system. This is also to the detriment of the Republic as a whole. The ministry's response to all such initiatives by air traffic controllers in Skopje has been rejection or, to a certain extent, neglect. The system has been left to fend for itself and is being used by various groups and individuals at the expense of safety.

During all of that time, the working group set up by the employees has worked on a voluntary basis, thus becoming a strictly professional adviser interested in the safety and successful organization of flights in the Republic. Meanwhile, the ministry has called upon a number of people from various professions, who are being consulted about a complex problem the service believes can be resolved only through teamwork. They

say their insistence on being present when flight decisions are made stems from the fact that they were a part of the system for controlling air traffic when they belonged to the Federal administration for air traffic control and are thus naturally familiar with all of its advantages and particularly its weaknesses. Such weaknesses have increased tremendously to the detriment of the benefits, starting in 1978, when the service was integrated. It was precisely then that the military and civil air traffic control system was turned upside down at the expense of the civilian employees. All control positions were taken over by the military, which ignored the need for the system to participate in global and European developments. In our case, the climate that prevailed then was reflected in the low technological standards of the system. Nonetheless, last year, the air traffic control system was able to successfully handle about 8,000 aircraft and complete more than 15,000 operations without threatening air traffic safety. In the first quarter of the year, there were more than 3,000 civilian flights and over 1,500 military flights, figures that speak for themselves.

Air traffic control and its system, the submitted data stipulate, are a very complex entity. It is a profitable organization whose facilities are of interest to many units and institutions, which is why efforts are being made to take it over. Otherwise, the income generated here is strictly targeted and precisely defined by international organizations and is used exclusively to update technical facilities and instruments and maintain the system.

Necessary Measures

The flight controllers in the Republic emphasize that, at present, traffic control at both airports is in a state of vacuum, which has a direct impact on the safety of flights in Macedonia. According to them, the major problems are that no legal regulations exist in the Republic that could serve as a foundation in organizing the air traffic system; instruments and technical systems for air traffic control have outlived their usefulness; and there have been no calibration and no search-and-rescue service, an unprecedented occurrence in our time. Medical examinations and extensions of licenses for personnel work are being questioned, and there are no proper flight inspection services. The problem is worsened by financial issues and a shortage of funds for procuring spare parts for the installed technical equipment, maintaining projects, purchasing communications lines, electricity, personnel transportation, fuel, maintaining terrain facilities, and paying wages. All of this is damaging the psychophysical condition of all employees in the air traffic control system, which, considering the nature of the work, is catastrophic in terms of flight safety.

Because we are on the threshold of the tourist season, during which air traffic in the Republic is expected to increase, and are operating under blockade conditions, it is obvious that this service is scheduled to play a major

role. However, because of all these problems, it is being said that we are forced to reject any responsibility for an eventual worsening of the safety of flights over Macedonia. So as not to reach this point, all important requests related to this problem must be met urgently and quickly. The most urgent is the need to set up a state commission of the Republic of Macedonia to deal with the restructuring of the flight administration, which, according to the flight controllers, does not exist in our Republic. Equally urgent is the organization of a center for aircraft certification, which is a service of any sovereign state, which is sovereign in air transportation to the extent that it is able to control flights. Until a final agreement has been reached between the present and the previous flight authorities, it is suggested that the present legal regulations be retained, that a search-and-rescue service be organized, that a final solution be found to the question of continued calibration of all technical equipment and systems, and that a means be devised to extend the flight permits of flight personnel and ensure the funds needed to regulate current projects and pay the personnel their due wages.

Long-term measures are being suggested as well, such as establishing a department for air communications within the framework of the present ministry, which would be the representative of the future air traffic authority, and continuing with the initiated reorganization of the present flight control system, based on European plans for the integration and coordination of airspace (on which the professional personnel of the former Yugoslavia are working by developing contacts with unions and associations, such as ESAS [expansion unknown], EATCHIP [expansion unknown], FANS [Future Air Navigation Systems], and so forth). Furthermore, the air traffic controllers suggest the drafting of all of the necessary legal acts required by international air law, an updating of the service, the training of flight personnel, a long-term resolution of the problem of financing the service as is done in the developed countries, and the drafting and signing of a collective contract. The flight controllers in both Macedonian airports hope for an understanding not only on the part of the Ministry of Urban Planning, Construction, Communications, and Ecology but also of the government and the other Republic authorities in the implementation of these tasks and the meeting of these requirements. Naturally, the cost of neglecting such serious requirements would be high.

[Box, p 5]

Bad Agreement About the New Corridor

Ignoring requests for aid from the respective ministry in conducting talks with the flight authorities of the rest of Yugoslavia, in the course of which the air traffic controllers in Skopje and Okhrid are not being consulted, although they are the only qualified groups to this effect in Macedonia, would lead to inadequate agreements, the controllers claim. Yet one such agreement was recently signed for the G-38 flight corridor, which called for

mandatory altitude in the vicinity of 7,000 meters. According to the controllers, from the standpoint of providing the necessary material funds by Macedonia, this would be a trifle. And this is only one of the cases of insufficient knowledge of flight problems.

Montenegrin President Calls for Dialogue

92BA1132E Podgorica POBJEDA in Serbo-Croatian
20 Jun 92 p 4

[Unattributed article containing letter of Momir Bulatovic, president of the Presidency of the Republic of Montenegro: "Arguments in Favor of Dialogue"]

[Text] Podgorica, 19 Jun—Following the recent conversation between the current Montenegrin Government and the opposition, Momir Bulatovic, president of the Presidency of the Republic of Montenegro, sent a proposal or letter to representatives of the People's Party, the Liberal Alliance, the Party of Socialists, the Socialist Party, the Ethnic Equality Party, the Independent Organization of Communists, the Democratic Action Party, the League of Reformers of the Montenegrin Coast, and the Democratic Alliance of Montenegro containing the following passages:

"As you know, the essential dispute is over two basic proposals—a civil unity government or a council for civil peace and ethnic equality. The agreement is that each of these proposals be further operationalized so that our coming talks would be increasingly specific, so that we might quickly be able to submit specific decisions to the Assembly of Montenegro.

"I therefore ask you to do the maximum to draft a proposal for formation of a civil unity government. This presupposes an answer to the questions: Who is to be commissioned to make up that government; to what limitations would he be subjected; how would the government be chosen; which individuals meet the criteria to become members of the government; how would the government operate; what would be its strategic commitments, and what would be its first specific acts of statesmanship?..."

At the same time, a proposal drafted by the bodies of government for formation of a council for civil peace and ethnic equality was also sent to all the opposition parties.

Vojvodina Opposition Leader on Impact of Embargo

92BA1161C Subotica NAPLO in Hungarian
3 Jun 92 p 8

[Interview with Nenad Canak, president of the Vojvodina Social Democratic League, by Eva Hubsch; place and date not given: "Fears and Hopes"]

[Text] The British television just announced the economic blockade of Serbia.

[Hubsch] This will have its effect, perhaps. People realize by now that something is not right with the leadership that has swept this country into war, destitution, and, in the end, into total isolation.

[Canak] I'm not sure that the system is going to collapse that fast. Thus far the practice has been to counter a given problem with an even bigger problem. At first they made propaganda about the threatened state of Serbs in Kosovo; once that failed, they moved the point of gravity to Knin, then to Slavonia, and, in the end, to Bosnia. Only one trump card is left now—the struggle inside of Serbia. I do not have in mind Serbia proper, but the Vojvodina. Fighting in the Vojvodina would be very useful to them, because here they could once again argue about conflict on the basis of nationalities. Ethnic conflicts would exert an even more forceful effect, because in the framework of enemy image-building—the staple food that sustains this system—this would be the strongest trump card, the foreign enemy, which, in this case, would be Hungary. The Vojvodina would be a particularly useful theater of war, because a conflict there would reunite the Serb people against the new enemy.

A Serbian-Hungarian conflict would be particularly useful to those in power, because it would serve several purposes. Within a short period of time many Hungarians from the Vojvodina would escape to Hungary, and as a result of that many housing units would become vacant. Thus, some 100,000-150,000 refugees presently residing in the Vojvodina would have housing. One can understand why these refugees defend and fight for the system. On the other hand, Hungary would not remain indifferent with respect to the large number of refugees, it would probably "fall for it" and join the conflict, or, it would at least deliver large quantities of arms to the Vojvodina. Thus, a northern front would evolve in the Vojvodina. Hungarians left behind would be pushed to the border, people would be settled in their homes. The infrastructure of the province would also change. And those opposed to the system would be simply liquidated after charging them of having committed treason. Thus, in one step the system would also get rid of the opposition in the Vojvodina. And unless we do something about this, the script I just described is soon going to become reality; we have already seen some of its elements. The SZSZP [Serbian Socialist Party—SPS in Serbo-Croatian] has already issued a communique about the threatened state of Serbs, there have already been incidents based on national belonging, moreover, in a few villages, they have already tried to raise the barricades.

[Hubsch] To what extent is the Vojvodina prepared to prevent this script from materializing, how proud are its citizens?

[Canak] The League is active in providing information to the populace. Our first recommendation is that under no circumstance should they use arms, not even if attacked. On the other hand, the retreat must be implemented in an organized fashion. Everything has to be

recorded with video recorders and cameras, and the truth must be told to the world. I believe that citizens in the Vojvodina have a high degree of pride. Let me remind you of the only antiwar demonstration within the so-called united Serbia, a demonstration which has succeeded in setting in motion those in power, even if those were only local organs. And this has happened right here, in the Vojvodina. The demonstrations at Ada and Zenta [Senta] forced the representative body to decide to permit the populace to express its view on war or peace in a referendum. Although as a result of subsequent action the system was able to prevent such a referendum, the people of Vojvodina had made a clear statement at the time to the effect that they did not want war. And this view, this image of the Vojvodina has not been erased from international consciousness. We can only do something if people unite to protect their civil and human rights, irrespective of their nationality. This is a long and difficult road, but it is the sole passable road. Whoever bears arms in the Vojvodina does not like this land, and this land will be the graveyard of such a person.

[Hubsch] During the winter and early spring it appeared that the Social Democratic League has enjoyed great popularity, particularly among people in the Vojvodina opposed to the war. It appears that this popularity has recently declined somewhat.

[Canak] I must admit that recently we have concentrated on providing international publicity to the Vojvodina issue. It should be obvious that the decision concerning the status of the Vojvodina, when that is made, is not going to be made here, but mostly abroad. We have not retreated at all, but with respect to one issue we might have lost the support of many who had rooted for us before. That issue pertains to the refugees. In our view, if we are concerned about people who had escaped from the Vojvodina, we must also be concerned about those who had escaped here. And now we find ourselves in an odd situation. Those who sympathized with our concern before insofar as the fate of those who had escaped from the Vojvodina was concerned, have interpreted our concern for the other group as support for recolonizing the Vojvodina. At the same time, those faithful to the regime interpreted our proposal to establish refugee camps that would also resolve social welfare and health-care problems, as wanting to lock up in concentration camps Serbs in the Vojvodina. Thus, both sides regarded us as traitors.

The fact is, however, that there are about 150,000 refugees in the Vojvodina. These people have nothing to eat and no place to live. Sooner or later, the threat of these people becoming criminals arises. The populace of the Vojvodina would suffer most as a result. For this reason we made a public appeal to help these people, because short of a place to live, these people will, sooner or later, chase us out of our homes at gun point. The social tension must be relaxed in order to spare the people of the Vojvodina of a situation like this. It is more wise to resolve social concerns before they become political concerns.

[Hubsch] But the fact is that many people have already been removed of their homes.

[Canak] We have data that indicates that the authorities in Krajina have moved out the Slovak and Ruthenian populace from Slavonia. They rob them then transport them to Croatia. Just how this system manipulates unfortunate people can also be seen from the fact that refugees arriving here immediately receive a right to vote and thus automatically become citizens, while in reality they have lost their refugee status and their eligibility for international aid. By losing their refugee status they automatically become social welfare cases. At the same time, criminal activities become legalized.

[Hubsch] It would be nice to hear something encouraging in conclusion, at a time when the situation seems to be hopeless.

[Canak] I participated in the antiwar demonstration at Csantaver [Cantavir] organized by the VMDK [Democratic Union of Vojvodina Hungarians]; about 20 Serb volunteers appeared at that demonstration. They told me to watch what I was saying, because they had come there to kill me. In the end, both the organizers and the volunteers applauded my speech. By this I mean that the more we talk with people of different persuasions, the greater and stronger the confidence among the people. And if we reject the idea of hatred and revenge, we will have a chance to save the Vojvodina from the horrors of war. The Csantaver case has convinced me that it is possible for people of directly opposite persuasions to get together.

Hungarian-Serbian Tensions in Vojvodina

92BA1146A Novi Sad MAGYAR SZO in Hungarian
10 Jun 92 p 7

[Article by "ger": "Rumors and Half-Truths; Zenta Peace Commission To Clarify Questions Leading to Feud"]

[Text] In Zenta [Senta] there is a rumor that a reservist of Hungarian nationality, in uniform, made a list of the Serbian houses and families in the Kolonija section of Felsőhegy (Serbian families have been settled in this area since after the first world war). The municipal peace commission formed by representatives of the parties discussed this case, as well, at its meeting yesterday. The chairman, Mayor Miladin Lalic, told the commission that, according to information supplied by the secretariat of internal affairs, two weeks ago a reservist from Pade was taken into custody in the Kolonija section of Felsőhegy and was released after interrogation. According to his statement, he was looking for his relatives in Felsőhegy. He entered the house of the Durovic family to ask for some water. For one reason or another, a dispute broke out between the uninvited guest and the family, which the police termed an "incident."

After the alleged fist-fight, the police were summoned. The policemen did not find any papers or notes on the

individual. Apparently another rumor, another half-truth, has been disseminated by those citizens of Zenta who cannot resign themselves to the fact that in their town there are still no disturbances, ethnic fights, or nationalistic excesses. The military police took charge of the matter. Recently, they were also forced to take a reservist from Ostojicevo into custody because he was too rowdy.

At the meeting of the peace commission, Stevan Vorgic, president of the local chapter of the People's Party, announced to everyone's surprise that he had knowledge of a list containing the names of Serbs in Zenta, Ada, and Kanizsa [Kanjiza] who will have to be liquidated when the time comes, because they are enemies of the Hungarians. And, that one member of the executive committee of the local VMDK [Democratic Union of Vojvodina Hungarians] was among the assemblers of the list. Antal Balint, president of the VMDK chapter of the Zenta-Csoka district, reacted passionately to this allegation and demanded proof, which Mr. Vorgic was unable to supply, saying that the list is in Ujvidek [Novi Sad] in the care of the authorities in charge. The issue led to a fruitless discussion. Such serious allegations should not be allowed to be brought without proof. The peace commission was formed precisely for the discussion of such extreme cases, and to prevent misunderstandings in order to preserve enduring peace among the nationalities.

At the meeting, another discussion erupted between Stevan Vorgic and Antal Balint in connection with a bit of information that had also been published in NIN, according to which Paroski, the leader of the People's Party, declared to Serbian Defense Minister Negovanovic that 162 members of his party in Zenta are prepared for an armed clash with the Hungarians of Zenta. The president of the local VMDK chapter asked Vorgic to distance himself from this declaration by Paroski. The president of the local chapter of the People's Party was not willing to do this, saying that their local organization, with only 23 members, has fought for the preservation of peace in Zenta in the past, that it will do so in the future as well, and that there is no need for him to distance himself from an alleged declaration by Paroski. The dispute between the two (the details of which we will forgo here) was ended by a proposition by Mayor Miladin Lalic, who said that statements by the leaders of the parties should not influence the commission's work, since the task of the members of the commissions is not to analyze and refute or support those statements, but to clarify issues concerning Zenta that are disputed and could potentially lead to feuds.

Persecution of Vojvodina Croats Described

92BA1161A Novi Sad MAGYAR SZO in Hungarian
10 Jun 92 p 8

[Article by Csilla G. Kantor: "They Are Threatening Us With the Seselj"; 'Move Out, Ustashes, Today Is Your

Last Day, Tomorrow We Will Slaughter All of You'; Croats in Petervarad Also Live in Fear"]

[Text] While getting off the Petervarad [Petrovaradin] bus around noon, Sunday, I heard singing voices coming from Saint Roch's Church. I felt good and was moved by hearing the faithful sing and pray for peace. As I arrived at the entrance of the church, however, the events at Herkoca and the faces of intimidated people appeared before my eyes. Just as in the center of Herkoca, here, too, various pieces of paper decorate the entrance: "I would exchange a two-story family home with central heating in Slavenska Podedeg for a similar home in Petervarad." People use these small notices to exchange their Petervarad homes for apartments and houses in Varazdin, Abbazia [Opatia], or somewhere else on the sea shore. Walking further, one sees the Serb coat of arms carved in the wall of the church and the rectory, and an inscription in Cyrillic letters: "This is Serbia." Is this the way they want to tell the Croat faithful that they are not welcome here?

I became personally convinced of the truth of this a few minutes later. People leaving the church one by one stopped to exchange a few words, then went home. And when I asked whether it was true that they would leave their homes, they invited me to go with them to the rectory, because any gathering of people would be noticed and could provoke an undesirable effect.

"I was pondering to whom to report, from whom to ask for help in all the things that are happening to us here. At night we are being threatened over the phone by unknown callers, but they also came to check out my home," Gabrijela Vidusek was first to break the silence.

"We do not know whether we harm ourselves with these statements, but we are fully aware that one must not keep silent about facts. People are simply afraid to attend Mass, because they are being watched constantly. In earlier days I celebrated my name day; this year I have given up that celebration. We are blocked from receiving any information. They are not delivering any newspapers from Croatia—not even the religious papers. We should be pleased if we receive these once a month. Our faithful live in fear. The facts speak for themselves: Between last year and 4 May, 50 Croatian families left their homes, and since then another six families have moved. This means that we have become poorer by 226 parishioners. And this is not the final number!" according to the Reverend Marko Kljajic.

"We have no one to turn to for help. We are constantly being threatened with the Seselj [Serb nationalist politician]; they claim that we will not leave the Vojvodina alive, that they will kill us all. At night they chant on the streets: 'Move out, Ustashes, today is your last day, we will slaughter all of you tomorrow!' The police look aside when they see all this, and when we ask for help they send a message telling us to defend ourselves."

"My house has been surrounded by the police and they have barged in with weapons. They called me by my

name and questioned me about where I had stayed for a while. They thought I had been fighting on the enemy's side in Croatia. In reality, the whole thing amounted to an error; we have many relatives and have the same last name. Many members of the family moved; my brothers and sisters live in Rijeka. Meanwhile, however, they searched the entire house; they were looking for weapons. While they were on their way out, I told them that I thought that they were supposed to defend the defenseless. In response they said that since they, i.e., the Croats, had been shooting at them, they too had to be more strict. They recommended that I leave as soon as possible."

Unlike Gabrijela Vidusek, these conversation partners did not want to reveal their identity, because they were afraid of retaliation.

"They called me at home at midnight to see whether we were at home. Our neighbor lives in a newly built house; he, too, has received calls, and later they took his son to the police station for questioning. They pick the nice buildings, then make threats. Three officers dressed in civilian clothing came to my house one day. I was hospitable, as a good housewife should be; in response they made an outright statement to the effect that they were rescuing their house, i.e., my house, and that I should rescue my own skin. They did not have to tell me anything more; I replied that I would go nowhere without my matrimonial bed. We have worked and struggled for this house all our lives. I will not be pressured because my pride also tells me to stay. I do not know whether this exchange is going to have any consequence. They wanted to mobilize my son three times, but I did not let him go. He took the oath to fight against external enemies, and not against his own brothers. My mother and my sister live in Slavonia—should we fight them?!" Gabrijela Vidusek interrupted once again, then continued:

"There were some rumors about the Croats of Petervarad preparing to attack Ujvidek [Novi Sad]. At the same time, our number is always decreasing. All this, of course, had its origins in the fact that we hosted a small party, listened to tambura, and sang Dalmatian songs. Songs we could hear on the radio not too long ago. That's when they told us that we received 200 weapons, and in the end this number had increased to 2,500. Writings in Cyrillic letters could be seen on the walls in Petervarad for the past two years; none of us were disturbed by that; we would like to live in peace here, as we did before."

"The Cyrillic letters are not the issue. They want to deprive us of all our rights. They are telling me all the time at the enterprise that this is Serbia. They threaten me, that I should move away or they will kill me. By now, I am unable to provide a livelihood for my family; as a skilled worker pay amounts to that of a cleaning woman."

"My son worked in Dnevnik; they constantly cursed his Ustasha mother. He was unable to take it any longer, so

he moved out with his family. They exchanged their house for an apartment in Zagreb. It is my turn now; I am going after them with my wife," Joza Topic said.

"I am preparing to go to Bielovar; we have reached an agreement to exchange our house, and everything has been settled. My son, my daughter-in-law, and my three grandchildren are already there. My son has not been threatened, but they always let the air out of his tires. A woman came to our house and said that she was looking for a house, but if she could not find one she would set a Croat house on fire," according to Peter Kaleb.

In parting, I said farewell to the priest. A Serb from Croatia and a young refugee from Crna Gora sat with him in his study. They came on their own to the Vojvodina with their families last year, in early July. No one harmed them in Croatia, but they did not want to bear arms, and they did not want to fight on either side. They live from their savings and have neither an apartment nor jobs. Occasionally they come to the church in hopes of exchanging their house, and for a little salvation.

Vojvodina Hungarian Paper Criticizes Milosevic

*92BA1146B Novi Sad MAGYAR SZO in Hungarian
21 Jun 92 p 1*

[Commentary by Istvan Feher, editor of MAGYAR SZO's foreign policy column: "Adventurism"]

[Text] When the leadership of a state assesses its possibilities as poorly as was done by the most important state institutions of the Serbian Republic, and especially by its leading politicians, then the removal of this leadership must be discussed even in organized political circumstances. We are not lucky enough to be living in organized political circumstances; for years we have been living in a sometimes declared, sometimes tacitly admitted state of emergency, in worsening economic conditions, warfare, blazing nationalist passions, and in a process of change that has rejected from the outset all civilian and civilizational values.

Not so long ago, the people of this country were living in acceptable circumstances; what is even more important, they could hope that the future would hold something better and more beautiful. Not the distant, the communist or utopian future, but the tomorrow within their reach. Unfortunately, after the Milosevic administration came into power, we started moving downhill, first gradually, and then with a more and more alarming speed. It is no longer a hill, but a precipice, and we are not just speeding downhill, but plunging into hopelessness, perhaps unstoppably, since the plunge can only be arrested by a crash, a crash so great that it would result in an explosion shattering heaven and earth.

The Milosevic administration with its dogged continuation of a failed politics forced us first into economic deterioration, and later into civil discord followed by a civil war, only to elicit in the end the anger and scorn of

the entire world against them (and against us as well) with their helplessness, their fear of losing power, and their doggedness. This was the first of the global sins committed by the Milosevic administration. The second was that in spite of the failure that appears now to be final, it, and President Milosevic personally, is not willing to take the consequences. To the contrary. In his occasional public appearances, the president talks about results, possibilities for great leaps forward, and even about successes. With this attitude he provoked the anger of half the country's population, with this behavior outside the realm of reality he compelled university students to declare: "With you, everything is nothing, but without you, even nothing would be everything."

Having spoken about sins, global sins, let us assert that the attitude towards our reality displayed by Milosevic, Bozovic, and basically every single member of the administration is an even greater sin than shaping bad politics. It is not enough that they foisted poverty on the people entrusted to their leadership, that they exposed all of us to humiliation and mortal danger, but now they want to convince us that it is possible to live with the sanctions. They have started a propaganda campaign that could have fatal effects, especially if the administration, playing on nationalist feelings and pride, will be able to make the people believe that it is indeed possible to live on nothing.

This is adventurism. The statement is very harsh, but compared to our horrendous situation, it is as light as a feather. It is not possible to live with the sanctions. Those who claim the opposite are digging graves for their people.

Former Supporter Demands Milosevic Resignation

92BA1161B Novi Sad MAGYAR SZO in Hungarian
21 Jun 92 p 8

[Unattributed interview with Milivoje V. Radenkovic, a founding member of Solidarnost; place and date not given: "We Put Him in Power, and We Will Relieve Him; Milosevic Grabbed Power by Deceit; We Either Overthrow Him, or the Vojvodina Is Going To Become Independent; Milivoje V. Radenkovic, One of the Founding Members of Solidarnost, on Delusions"]

[Text] *The Solidarnost association—the organization that organized grand rallies in the summer and fall of*

1988 throughout the Vojvodina and Serbia to topple the then-prevailing Vojvodina government—issued a public announcement this week demanding the immediate resignation of Slobodan Milosevic, the dissolution of the Serb House of Representatives and government, and the establishment of a Council To Rescue the Nation.

Is this an about-face, or is it something entirely different? We asked Milivoje V. Radenkovic, one of the four signatories of the proclamation.

[Radenkovic] I did not think, we did not think, that our noble goals and our persons would be used as tools. Milosevic grabbed power by deceit. Milosevic responded to 47 questions in the 3 July 1988 issue of NIN, and said, among other things, that "the scoundrels" must leave our ranks because they brought shame upon the people by robbing them, if you recall. He spoke highly about university professors and students, and viewed them as an unexplored treasure. I fell for him; I did not think that he was a communist.

[MAGYAR SZO] Why did you want to overthrow the so-called autonomist Vojvodina government by all means?

[Radenkovic] There should be no misunderstanding: The adjective "autonomist," used to describe a traitor, had been invented in Belgrade. We were proud of the Vojvodina, and we like it. We were fighting the communist system. At a meeting in Stara Pazova on 12 August I attacked Renovica, Dolanco, and the communist leadership of Kosovo and Serbia, because of the genocide of the Serb people and the people of Crna Gora that they had perpetrated. I was born in Cokotin, or Petrilje, as it is called today. This village is on the border of Kosovo, many of my relatives live in Kosovo, and I am very well aware that the Albanians are not the ones who chase the Serbs away from there, but the Serbs themselves do that. I had to leave my family home in 1960 and settle in Becse. The Albanians are decent people; we never had any differences. Milosevic had a tremendous opportunity of a kind no one else had in Europe, to elevate Yugoslavia from the shackles of Communism to the level of developed countries. "Thanks" to him, Yugoslavia has fallen apart, Croatia and the Vojvodina have been robbed, he made beggars out of the people there, and he has forced mothers to be dressed in black. No alternative, except to overthrow Milosevic, is left, because we cannot count on a change as long as he remains in power. Failing that, the Vojvodina must become independent.

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5285 PORT ROYAL RD
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